

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6948

SPX CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

38-1016240

(I.R.S. Employer Identification No.)

13320 Ballantyne Corporate Place, Charlotte, North Carolina 28277

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (704) 752-4400

(Former Name, Former Address, and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common shares outstanding April 24, 2015 41,025,390

PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements

**SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)**

	<u>Three months ended</u>	
	<u>March 28, 2015</u>	<u>March 29, 2014</u>
Revenues	\$ 946.9	\$ 1,077.1

Costs and expenses:		
Cost of products sold	685.0	775.6
Selling, general and administrative	233.2	267.5
Intangible amortization	7.3	8.3
Special charges, net	6.6	10.0
Operating income	14.8	15.7
Other income, net	0.8	490.6
Interest expense	(16.8)	(19.3)
Interest income	1.1	2.2
Loss on early extinguishment of debt	—	(32.5)
Income (loss) from continuing operations before income taxes	(0.1)	456.7
Income tax provision	(9.5)	(160.0)
Income (loss) from continuing operations	(9.6)	296.7
Income from discontinued operations, net of tax	—	0.1
Gain (loss) on disposition of discontinued operations, net of tax	(0.4)	21.0
Income (loss) from discontinued operations, net of tax	(0.4)	21.1
Net income (loss)	(10.0)	317.8
Less: Net loss attributable to noncontrolling interests	(2.9)	(0.4)
Net income (loss) attributable to SPX Corporation common shareholders	\$ (7.1)	\$ 318.2
Amounts attributable to SPX Corporation common shareholders:		
Income (loss) from continuing operations, net of tax	\$ (6.7)	\$ 297.1
Income (loss) from discontinued operations, net of tax	(0.4)	21.1
Net income (loss)	\$ (7.1)	\$ 318.2
Basic income (loss) per share of common stock:		
Income (loss) from continuing operations attributable to SPX Corporation common shareholders	\$ (0.17)	\$ 6.72
Income (loss) from discontinued operations attributable to SPX Corporation common shareholders	(0.01)	0.47
Net income (loss) per share attributable to SPX Corporation common shareholders	\$ (0.18)	\$ 7.19
Weighted-average number of common shares outstanding — basic	40.503	44.236
Diluted income (loss) per share of common stock:		
Income (loss) from continuing operations attributable to SPX Corporation common shareholders	\$ (0.17)	\$ 6.59
Income (loss) from discontinued operations attributable to SPX Corporation common shareholders	(0.01)	0.47
Net income (loss) per share attributable to SPX Corporation common shareholders	\$ (0.18)	\$ 7.06
Weighted-average number of common shares outstanding — diluted	40.503	45.082
Comprehensive income (loss)	\$ (140.5)	\$ 323.7

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share data)

	March 28, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and equivalents	\$ 363.1	\$ 427.6
Accounts receivable, net	1,026.2	1,067.4
Inventories, net	525.4	497.8
Other current assets	150.5	98.5
Deferred income taxes	128.0	123.8
Total current assets	2,193.2	2,215.1
Property, plant and equipment:		
Land	54.8	56.4
Buildings and leasehold improvements	352.6	361.8
Machinery and equipment	824.3	825.9
	1,231.7	1,244.1
Accumulated depreciation	(574.0)	(573.2)
Property, plant and equipment, net	657.7	670.9
Goodwill	1,401.0	1,455.4
Intangibles, net	791.0	831.0
Other assets	736.9	729.8
TOTAL ASSETS	\$ 5,779.8	\$ 5,902.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 432.8	\$ 462.0
Accrued expenses	846.1	892.3
Income taxes payable	42.9	43.7
Short-term debt	298.5	181.1
Current maturities of long-term debt	37.7	30.8
Total current liabilities	1,658.0	1,609.9

Long-term debt	1,149.9	1,157.8
Deferred and other income taxes	283.1	294.9
Other long-term liabilities	1,001.1	1,018.5
Total long-term liabilities	2,434.1	2,471.2

Commitments and contingent liabilities (Note 13)

Equity:

SPX Corporation shareholders' equity:		
Common stock (100,135,319 and 41,011,085 issued and outstanding at March 28, 2015, respectively, and 100,063,887 and 40,858,006 issued and outstanding at December 31, 2014, respectively)	1,009.2	1,008.2
Paid-in capital	1,618.4	1,600.8
Retained earnings	2,615.3	2,637.8
Accumulated other comprehensive income (loss)	(68.0)	62.6
Common stock in treasury (59,124,234 and 59,205,881 shares at March 28, 2015 and December 31, 2014, respectively)	(3,487.1)	(3,491.5)
Total SPX Corporation shareholders' equity	1,687.8	1,817.9
Noncontrolling interests	(0.1)	3.2
Total equity	1,687.7	1,821.1
TOTAL LIABILITIES AND EQUITY	\$ 5,779.8	\$ 5,902.2

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Three months ended	
	March 28, 2015	March 29, 2014
Cash flows used in operating activities:		
Net income (loss)	\$ (10.0)	\$ 317.8
Less: Income (loss) from discontinued operations, net of tax	(0.4)	21.1
Income (loss) from continuing operations	(9.6)	296.7
Adjustments to reconcile income (loss) from continuing operations to net cash used in operating activities:		
Special charges, net	6.6	10.0
Gain on asset sales	—	(491.5)
Loss on early extinguishment of debt	—	32.5
Deferred and other income taxes	(0.3)	(58.3)
Depreciation and amortization	25.0	27.6
Pension and other employee benefits	6.7	24.8
Stock-based compensation	23.6	24.7
Other, net	1.9	0.2
Changes in operating assets and liabilities, net of effects from divestiture:		
Accounts receivable and other assets	(52.4)	(22.4)
Inventories	(44.4)	(50.4)
Accounts payable, accrued expenses and other	(61.5)	156.8
Cash spending on restructuring actions	(3.9)	(9.3)
Net cash used in continuing operations	(108.3)	(58.6)
Net cash used in discontinued operations	(0.5)	(2.0)
Net cash used in operating activities	(108.8)	(60.6)
Cash flows from (used in) investing activities:		
Proceeds from asset sales and other	—	575.7
Increase in restricted cash	(0.1)	(0.1)
Capital expenditures	(14.4)	(11.3)
Net cash from (used in) continuing operations	(14.5)	564.3
Net cash from discontinued operations	—	38.3
Net cash from (used in) investing activities	(14.5)	602.6
Cash flows from (used in) financing activities:		
Repurchase of senior notes (includes premiums paid of \$30.6)	—	(530.6)
Borrowings under senior credit facilities	196.0	—
Repayments under senior credit facilities	(119.0)	—
Borrowings under trade receivables agreement	70.0	—
Repayments under trade receivables agreement	(25.0)	—
Net repayments under other financing arrangements	(4.3)	(53.9)
Purchases of common stock	—	(134.3)
Minimum withholdings paid on behalf of employees for net share settlements, net	(5.2)	(11.5)
Financing fees paid	—	(0.4)
Dividends paid	(15.6)	(11.7)
Net cash from (used in) continuing operations	96.9	(742.4)
Net cash used in discontinued operations	—	—

Net cash from (used in) financing activities	96.9	(742.4)
Change in cash and equivalents due to changes in foreign currency exchange rates	(38.1)	(5.4)
Net change in cash and equivalents	(64.5)	(205.8)
Consolidated cash and equivalents, beginning of period	427.6	691.8
Consolidated cash and equivalents, end of period	<u>\$ 363.1</u>	<u>\$ 486.0</u>

The accompanying notes are an integral part of these statements.

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SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited; in millions, except per share data)

(1) BASIS OF PRESENTATION

We prepared the condensed consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules and regulations, certain footnotes or other financial information normally required by accounting principles generally accepted in the United States (“GAAP”) can be condensed or omitted. The financial statements represent our accounts after the elimination of intercompany transactions and, in our opinion, include the adjustments (consisting only of normal and recurring items) necessary for their fair presentation.

We account for investments in unconsolidated companies where we exercise significant influence but do not have control using the equity method. In determining whether we are the primary beneficiary of a variable interest entity (“VIE”), we perform a qualitative analysis that considers the design of the VIE, the nature of our involvement and the variable interests held by other parties to determine which party has the power to direct the activities of the VIE that most significantly impact the entity’s economic performance, and which party has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. We have interests in VIEs, primarily joint ventures, in which we are the primary beneficiary and others in which we are not. Our VIEs are considered immaterial, individually and in aggregate, to our condensed consolidated financial statements.

On October 29, 2014, we announced that our Board of Directors had unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, a business currently reported within Industrial Products and Services and Other. The spin-off would create a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global food and beverage, power and energy, and industrial markets. We continue to expect that the transaction will be completed during the third quarter of 2015.

On January 7, 2014, we completed the sale of our 44.5% interest in the EGS Electrical Group, LLC and Subsidiaries (“EGS”) joint venture to Emerson Electric Co. for cash proceeds of \$574.1. As a result of the sale, we recorded a gain of \$491.2 to “Other income, net” during the first quarter of 2014.

Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our 2014 Annual Report on Form 10-K. Interim results are not necessarily indicative of full year results. We have reclassified certain prior year amounts, including the results of discontinued operations, to conform to the current year presentation. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations only. See Note 3 for information on discontinued operations.

We establish actual interim closing dates using a fiscal calendar, which requires our businesses to close their books on the Saturday closest to the end of the first calendar quarter, with the second and third quarters being 91 days in length. Our fourth quarter ends on December 31. The interim closing dates for the first, second and third quarters of 2015 are March 28, June 27 and September 26, compared to the respective March 29, June 28 and September 27, 2014 dates. We had one less day in the first quarter of 2015 and will have one more day in the fourth quarter of 2015 than in the respective 2014 periods.

(2) NEW ACCOUNTING PRONOUNCEMENTS

The following is a summary of new accounting pronouncements that apply or may apply to our business.

In April 2014, the Financial Accounting Standards Board (“FASB”) issued an amendment to guidance to change the criteria for determining which disposals of components of an entity can be presented as discontinued operations and to modify related disclosure requirements. Under the amended guidance, a discontinued operation is defined as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. The amendment states that a “strategic shift” could include a disposal of (i) a major geographical area of operations, (ii) a major line of business, (iii) a major equity method investment, or (iv) other major parts of an entity. The standard no longer precludes presentation as a discontinued operation if there are operations and cash flows of the

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component that have not been eliminated from the reporting entity’s ongoing operations, or there is significant continuing involvement with a component after its disposal. This amendment is effective for interim and annual reporting periods beginning after December 15, 2014 and shall be applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. We adopted this guidance on January 1, 2015, with no impact on our condensed consolidated financial statements as there were no disposal activities in the first quarter of 2015.

In May 2014, the FASB issued a new standard on revenue recognition that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The new standard contains a five-step approach that entities will apply to determine the measurement of revenue and timing of when it is recognized, including (i) identifying the contract(s) with a customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price,

(iv) allocating the transaction price to separate performance obligations, and (v) recognizing revenue when (or as) each performance obligation is satisfied. The new standard requires a number of disclosures intended to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue, and the related cash flows. The disclosures include qualitative and quantitative information about contracts with customers, significant judgments made in applying the revenue guidance, and assets recognized from the costs to obtain or fulfill a contract. The original standard was effective for interim and annual reporting periods beginning after December 15, 2016; however, in April 2015, the FASB proposed a one-year deferral of this standard, with a new effective date for interim and annual reporting periods beginning after December 15, 2017. We are currently evaluating the effect that this new standard will have on our condensed consolidated financial statements.

(3) DISCONTINUED OPERATIONS

As indicated in Note 2, there were no disposal activities in the first quarter of 2015. Prior to January 1, 2015, we reported businesses or asset groups as discontinued operations when, among other things, we terminated the operations of the business or asset group, committed to a plan to divest the business or asset group or actively began marketing the business or asset group, and the sale of the business or asset group was deemed probable within the next twelve months.

During the first quarter of 2014, we sold our Thermal Products Solutions (“TPS”) business for cash consideration of \$38.5 and a promissory note of \$4.0, resulting in a gain, net of tax, during the quarter of \$21.5. The promissory note was paid in full during the fourth quarter of 2014.

In addition to the TPS business, we recognized net losses of \$0.4 and \$0.5 during the three months ended March 28, 2015 and March 29, 2014, respectively, resulting from adjustments to gains/losses on dispositions of businesses discontinued prior to 2014.

For the first three months of 2015 and 2014, income (loss) from discontinued operations and the related income taxes are shown below:

	Three months ended	
	March 28, 2015	March 29, 2014
Income (loss) from discontinued operations	\$ (0.4)	\$ 33.9
Income tax provision	—	(12.8)
Income (loss) from discontinued operations, net	<u>\$ (0.4)</u>	<u>\$ 21.1</u>

For the first three months of 2015 and 2014, results of operations from our businesses reported as discontinued operations were as follows:

	Three months ended	
	March 28, 2015	March 29, 2014
Revenues	\$ —	\$ 26.0
Pre-tax income	—	—

(4) INFORMATION ON REPORTABLE SEGMENTS AND OTHER OPERATING SEGMENTS

We are a global supplier of highly specialized, engineered solutions with operations in over 35 countries and sales in over 150 countries around the world. Many of our products and solutions play a role in helping to meet rising global demand for processed foods and beverages and power and energy, particularly in emerging markets. Our key products include processing systems and equipment for the food and beverage industry, reciprocating pumps used in oil and gas processing, power transformers used by utility companies, and cooling systems for power plants.

We aggregate certain of our operating segments into our two reportable segments, Flow Technology and Thermal Equipment and Services, while our remaining operating segments, which do not meet the quantitative threshold criteria of the Segment Reporting Topic of the Financial Accounting Standards Board Codification (the “Codification”), have been combined within our “All Other” category, which we refer to as Industrial Products and Services and Other. The operating segments in this “All Other” category generally serve industrial end-markets. Industrial Products and Services and Other is not considered a reportable segment.

The factors considered in determining our aggregated segments are the economic similarity of the businesses, the nature of products sold or services provided, production processes, types of customers and distribution methods. In determining our segments, we apply the threshold criteria of the Segment Reporting Topic of the Codification to operating income or loss of each segment before considering impairment and special charges, pension and postretirement expense/income, stock-based compensation and other indirect corporate expenses. This is consistent with the way our chief operating decision maker evaluates the results of each segment.

Flow Technology Reportable Segment

Our Flow Technology reportable segment engineers, designs, manufactures and markets products and solutions used to process, blend, filter, dry, meter and transport fluids with a focus on original equipment installation, including turnkey systems, skidded systems and components, as well as comprehensive aftermarket components and support services. Primary component offerings include engineered pumps, valves, mixers, plate heat exchangers, and dehydration and filtration technologies. The segment primarily serves customers in food and beverage, power and energy and industrial end markets. The segment continues to focus on innovation and new product development, optimizing its global footprint while taking advantage of cross-product integration opportunities and increasing its competitive position in global end markets. Flow Technology’s solutions focus on key business drivers, such as product flexibility, process optimization, sustainability and safety.

Thermal Equipment and Services Reportable Segment

Our Thermal Equipment and Services reportable segment engineers, designs, manufactures, installs and services thermal heat transfer products. Primary offerings include dry, evaporative and hybrid cooling systems, rotating and stationary heat exchangers and pollution control systems for the power generation, HVAC and industrial markets, as well as personal comfort heating products for the residential and commercial markets.

Industrial Products and Services and Other

Industrial Products and Services and Other comprises operating segments that design, manufacture and market power transformers, industrial tools and hydraulic units, tower and obstruction lights and monitoring equipment, communications and signal monitoring systems, fare collection systems, and portable cable and pipe locators.

Corporate Expense

Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia Pacific center in Shanghai, China.

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Financial data for our reportable segments and other operating segments were as follows:

	Three months ended	
	March 28, 2015	March 29, 2014
Revenues: (1)		
Flow Technology reportable segment	\$ 530.8	\$ 616.7
Thermal Equipment and Services reportable segment (2)	247.2	279.6
Industrial Products and Services and Other	168.9	180.8
Total revenues	<u>\$ 946.9</u>	<u>\$ 1,077.1</u>
Income (loss):		
Flow Technology reportable segment	\$ 59.3	\$ 66.2
Thermal Equipment and Services reportable segment (2)	(2.8)	9.2
Industrial Products and Services and Other	19.0	23.3
Total income for reportable and other operating segments	75.5	98.7
Corporate expense	(29.2)	(28.5)
Pension and postretirement expense	(1.3)	(19.8)
Stock-based compensation expense	(23.6)	(24.7)
Special charges, net	(6.6)	(10.0)
Consolidated operating income	<u>\$ 14.8</u>	<u>\$ 15.7</u>

(1) Under the percentage-of-completion method, we recognized revenues of \$239.4 and \$274.2 in the three months ended March 28, 2015 and March 29, 2014, respectively. Costs and estimated earnings in excess of billings on contracts accounted for under the percentage of completion method were \$241.5 and \$237.1 as of March 28, 2015 and December 31, 2014, respectively, and are reported as a component of "Accounts receivable, net" in the condensed consolidated balance sheets. Billings in excess of costs and estimated earnings on uncompleted contracts accounted for under the percentage of completion method were \$180.7 and \$178.9 as of March 28, 2015 and December 31, 2014, respectively, and are reported as a component of "Accrued expenses" in the condensed consolidated balance sheets.

(2) For the three months ended March 28, 2015, revenue and income related to the segment's large power projects in South Africa declined approximately \$15.0 and \$8.0, respectively, when compared to the respective period in 2014.

(5) SPECIAL CHARGES, NET

Special charges, net, for the three months ended March 28, 2015 and March 29, 2014 are described in more detail below:

	Three months ended	
	March 28, 2015	March 29, 2014
Flow Technology reportable segment	\$ 3.8	\$ 8.9
Thermal Equipment and Services reportable segment	2.3	0.1
Industrial Products and Services and Other	0.5	0.4
Corporate	—	0.6
Total	<u>\$ 6.6</u>	<u>\$ 10.0</u>

Flow Technology reportable segment — Charges for the three months ended March 28, 2015 related primarily to severance and other costs associated with restructuring initiatives at various locations in Europe and South America. These actions were taken primarily to (i) reduce the cost base of various businesses within the segment and (ii) continue the reorganization of the Johnson Pump management structure in Europe. Charges for the three months ended March 29, 2014 related primarily to severance and other costs associated with restructuring initiatives to (i) reduce the cost base of Clyde Union as we continued to integrate the business into the segment and (ii) to further align the segment's operational structure to its key end markets.

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Thermal Equipment and Services reportable segment — Charges for the three months ended March 28, 2015 related primarily to severance and other costs associated with (i) facility consolidation efforts in Asia Pacific and (ii) the continuation of restructuring actions at our Balcke Duerr and dry cooling businesses in order to reduce the cost base of the businesses primarily in response to reduced demand for nuclear power products and services in Europe. Charges for the three months ended March 29, 2014 related primarily to costs associated with finalizing 2013 restructuring initiatives in Germany.

Industrial Products and Services and Other — Charges for the three months ended March 28, 2015 and March 29, 2014 related primarily to severance and other costs associated with restructuring initiatives at our tower and obstruction lights and monitoring equipment business. These actions were

taken to reduce the cost base of the business in response to reduced demand within the markets served by the business.

Corporate — Charges for the three months ended March 29, 2014 related primarily to costs associated with efforts to better align our corporate overhead structure with the new operational alignment we implemented in the second half in 2013.

Expected charges still to be incurred under actions approved as of March 28, 2015 were approximately \$3.0.

The following is an analysis of our restructuring liabilities for the three months ended March 28, 2015 and March 29, 2014:

	Three months ended	
	March 28, 2015	March 29, 2014
Balance at beginning of period	\$ 14.3	\$ 19.0
Special charges (1)	6.2	10.0
Utilization — cash (2)	(3.9)	(9.7)
Currency translation adjustment and other	(0.7)	0.4
Balance at end of period	<u>\$ 15.9</u>	<u>\$ 19.7</u>

(1) The three months ended March 28, 2015 included \$0.4 of non-cash charges that did not impact the restructuring liability.

(2) The three months ended March 29, 2014 included \$0.4 of cash utilization to settle retained liabilities of discontinued operations.

(6) INVENTORIES, NET

Inventories at March 28, 2015 and December 31, 2014 comprised the following:

	March 28, 2015	December 31, 2014
Finished goods	\$ 148.4	\$ 138.2
Work in process	178.5	158.6
Raw materials and purchased parts	217.9	220.5
Total FIFO cost	544.8	517.3
Excess of FIFO cost over LIFO inventory value	(19.4)	(19.5)
Total inventories	<u>\$ 525.4</u>	<u>\$ 497.8</u>

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated net realizable values. Certain domestic inventories are valued using the last-in, first-out (“LIFO”) method. These inventories were approximately 21% and 18% of total inventory at March 28, 2015 and December 31, 2014, respectively. Other inventories are valued using the first-in, first-out (“FIFO”) method.

(7) GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill, by reportable segment and other operating segments for the three months ended March 28, 2015, were as follows:

	December 31, 2014	Goodwill Resulting from Business Combinations	Impairments	Foreign Currency Translation and Other	March 28, 2015
Flow Technology reportable segment					
Gross goodwill	\$ 1,036.5	\$ —	\$ —	\$ (47.0)	\$ 989.5
Accumulated impairments	—	—	—	—	—
Goodwill	<u>1,036.5</u>	<u>—</u>	<u>—</u>	<u>(47.0)</u>	<u>989.5</u>
Thermal Equipment and Services reportable segment					
Gross goodwill	553.3	—	—	(16.4)	536.9
Accumulated impairments	(391.4)	—	—	9.5	(381.9)
Goodwill	<u>161.9</u>	<u>—</u>	<u>—</u>	<u>(6.9)</u>	<u>155.0</u>
Industrial Products and Services and Other					
Gross goodwill	396.1	—	—	(1.5)	394.6
Accumulated impairments	(139.1)	—	—	1.0	(138.1)
Goodwill	<u>257.0</u>	<u>—</u>	<u>—</u>	<u>(0.5)</u>	<u>256.5</u>
Total					
Gross goodwill	1,985.9	—	—	(64.9)	1,921.0
Accumulated impairments	(530.5)	—	—	10.5	(520.0)
Goodwill	<u>\$ 1,455.4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (54.4)</u>	<u>\$ 1,401.0</u>

Other Intangibles, Net

Identifiable intangible assets were as follows:

	March 28, 2015			December 31, 2014		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with determinable lives:						
Customer relationships	\$ 371.8	\$ (91.9)	\$ 279.9	\$ 388.6	\$ (91.7)	\$ 296.9
Technology	172.8	(58.6)	114.2	183.8	(59.8)	124.0
Patents	11.3	(8.8)	2.5	11.3	(8.8)	2.5
Other	27.9	(18.3)	9.6	28.7	(18.3)	10.4
	583.8	(177.6)	406.2	612.4	(178.6)	433.8
Trademarks with indefinite lives	384.8	—	384.8	397.2	—	397.2
Total	<u>\$ 968.6</u>	<u>\$ (177.6)</u>	<u>\$ 791.0</u>	<u>\$ 1,009.6</u>	<u>\$ (178.6)</u>	<u>\$ 831.0</u>

At March 28, 2015, the net carrying value of intangible assets with determinable lives consisted of \$359.5 in the Flow Technology reportable segment, \$40.4 in the Thermal Equipment and Services reportable segment, and \$6.3 in Industrial Products and Services and Other. Trademarks with indefinite lives consisted of \$247.9 in the Flow Technology reportable segment, \$116.2 in the

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Thermal Equipment and Services reportable segment, and \$20.7 in Industrial Products and Services and Other.

We perform our annual goodwill impairment testing during the fourth quarter in conjunction with our annual financial planning process, with such testing based primarily on events and circumstances existing as of the end of the third quarter. In addition, we test goodwill for impairment on a more frequent basis if there are indications of potential impairment. A significant amount of judgment is involved in determining if an indication of impairment has occurred between annual testing dates. Such indications may include: a significant decline in expected future cash flows; a significant adverse change in legal factors or the business climate; unanticipated competition; and a more likely than not expectation of selling or disposing all, or a portion, of a reporting unit.

We perform our annual trademarks impairment testing during the fourth quarter, or on a more frequent basis if there are indications of potential impairment. The fair values of our trademarks are determined by applying estimated royalty rates to projected revenues, with the resulting cash flows discounted at a rate of return that reflects current market conditions.

No impairment charges were recorded in the first quarter of 2015 or 2014. Changes in the gross carrying value of trademarks and other identifiable intangible assets related primarily to foreign currency translation.

(8) WARRANTY

The following is an analysis of our product warranty accrual for the periods presented:

	Three months ended	
	March 28, 2015	March 29, 2014
Balance at beginning of year	\$ 56.0	\$ 55.1
Provisions	5.4	6.0
Usage	(8.4)	(7.5)
Currency translation adjustment	(1.2)	—
Balance at end of period	51.8	53.6
Less: Current portion of warranty	34.4	41.7
Non-current portion of warranty	<u>\$ 17.4</u>	<u>\$ 11.9</u>

(9) EMPLOYEE BENEFIT PLANS

During a designated election period in the first quarter of 2014, we offered approximately 7,100 eligible former employees under the SPX U.S. Pension Plan (the "U.S. Plan") a voluntary lump-sum payment option in lieu of a future pension benefit under the U.S. Plan. Approximately 38%, or \$165.2, of the projected benefit obligation of the U.S. Plan was settled as a result of lump-sum payments made to those who accepted the offer. These payments were made during March 2014 and resulted in a settlement charge of \$4.6 being reflected in net periodic pension benefit expense for the first quarter of 2014. In addition, in connection with this lump-sum payment action, we remeasured the assets and liabilities of the U.S. Plan as of March 29, 2014, which resulted in a charge to net periodic pension benefit expense of \$14.8 for the three months then ended.

During the fourth quarter of 2014, we executed an agreement to transfer obligations for monthly pension payments to retirees under the SPX U.K. Pension Plan (the "U.K. Plan") to Just Retirement Limited ("Just Retirement"). Under the agreement, Just Retirement irrevocably assumed the obligation to make future pension payments to the approximately 900 retirees of the U.K. Plan beginning in the first quarter of 2015. The U.K. Plan paid Just Retirement 79.2 British Pounds ("GBP") (\$123.3 equivalent) in the fourth quarter of 2014 to assume obligations totaling approximately GBP 68.0 (\$105.8 equivalent). The partial annuitization of the U.K. Plan resulted in a settlement loss of \$15.0, which was included in net periodic pension benefit expense during the fourth quarter of 2014.

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Net periodic benefit expense for our pension and postretirement plans included the following components:

Domestic Pension Plans

	Three months ended	
	March 28, 2015	March 29, 2014
Service cost	\$ 0.9	\$ 1.8
Interest cost	4.3	6.7
Expected return on plan assets	(4.9)	(5.5)
Settlement charges, net(1)	—	0.5
Recognized net actuarial loss(2)	—	14.8
Total net periodic pension benefit expense	<u>\$ 0.3</u>	<u>\$ 18.3</u>

- (1) Consisted of the settlement charge of \$4.6 associated with the lump-sum payment action that took place during the first quarter of 2014 (see above), net of a \$4.1 increase to the estimated settlement gain that was recorded during the fourth quarter of 2013 in connection with the transfer of the pension obligation for the retirees of the U.S. Plan to Massachusetts Mutual Life Insurance Company.
- (2) Represented the actuarial loss resulting from the remeasurement of the assets and obligations of the U.S. Plan during the first quarter of 2014, which was required in connection with the lump-sum payment action noted above.

Foreign Pension Plans

	Three months ended	
	March 28, 2015	March 29, 2014
Service cost	\$ 0.4	\$ 0.7
Interest cost	2.0	3.5
Expected return on plan assets	(2.4)	(4.3)
Total net periodic pension benefit income	—	(0.1)
Less: Net periodic pension benefit income of discontinued operations	(0.1)	(0.2)
Net periodic pension benefit expense of continuing operations	<u>\$ 0.1</u>	<u>\$ 0.1</u>

Postretirement Plans

	Three months ended	
	March 28, 2015	March 29, 2014
Service cost	\$ —	\$ 0.1
Interest cost	1.1	1.3
Amortization of unrecognized prior service credits	(0.2)	—
Net periodic postretirement benefit expense	<u>\$ 0.9</u>	<u>\$ 1.4</u>

Employer Contributions

During the first quarter of 2015, we made contributions to our domestic and foreign pension plans of approximately \$0.8, of which \$0.4 related to discontinued operations.

(10) INDEBTEDNESS

The following summarizes our debt activity (both current and non-current) for the three months ended March 28, 2015:

	December 31, 2014	Borrowings	Repayments	Other (4)	March 28, 2015
Domestic revolving loan facility	\$ 133.0	196.0	(119.0)	—	\$ 210.0
Term loan (1)	575.0	—	—	—	575.0
6.875% senior notes, due in August 2017	600.0	—	—	—	600.0
Trade receivables financing arrangement (2)	10.0	70.0	(25.0)	—	55.0
Other indebtedness (3)	51.7	0.2	(4.5)	(1.3)	46.1
Total debt	1,369.7	<u>\$ 266.2</u>	<u>\$ (148.5)</u>	<u>\$ (1.3)</u>	1,486.1
Less: short-term debt	181.1				298.5
Less: current maturities of long-term debt	30.8				37.7
Total long-term debt	<u>\$ 1,157.8</u>				<u>\$ 1,149.9</u>

- (1) The term loan is repayable in quarterly installments of 5.0% annually, beginning with our second fiscal quarter of 2015, with the remaining balance repayable in full on December 23, 2018.
- (2) Under this arrangement, we can borrow, on a continuous basis, up to \$80.0, as available. At March 28, 2015, we had \$19.4 of available borrowing capacity under this facility after giving effect to outstanding borrowings of \$55.0.
- (3) Primarily included balances under a purchase card program of \$28.4 and \$32.1 and capital lease obligations of \$12.6 and \$13.6 at March 28, 2015 and December 31, 2014, respectively. The purchase card program allows for payment beyond the normal payment terms for goods and services acquired under the program. As this arrangement extends the payment of these purchases beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

- (4) “Other” primarily included debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

Senior Credit Facilities

A detailed description of our senior credit facilities is included in our 2014 Annual Report on Form 10-K.

At March 28, 2015, we had \$53.8 and \$673.8, respectively, of outstanding letters of credit issued under our revolving credit and our foreign credit instrument facilities of our senior credit agreement. In addition, we had \$6.8 of letters of credit outstanding under separate arrangements in China and India.

The weighted-average interest rate of outstanding borrowings under our senior credit facilities was approximately 1.7% at March 28, 2015.

At March 28, 2015, we were in compliance with all covenants of our senior credit facilities and our senior notes. Restrictions on our ability to repurchase shares or pay dividends are described in our 2014 Annual Report on Form 10-K.

(11) DERIVATIVE FINANCIAL INSTRUMENTS

Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency-denominated cash flows and to minimize the impact of changes as a result of currency fluctuations. Our principal currency exposures relate to the Euro, South African Rand, Chinese Yuan and GBP.

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From time to time, we enter into forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries (“FX forward contracts”). In addition, some of our contracts contain currency forward embedded derivatives (“FX embedded derivatives”), because the currency of exchange is not “clearly and closely” related to the functional currency of either party to the transaction. Certain of our FX forward contracts are designated as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives’ fair value are not included in current earnings, but are included in accumulated other comprehensive income (“AOCI”). These changes in fair value are reclassified into earnings as a component of revenues or cost of products sold, as applicable, when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives’ fair value is recorded as a component of “Other income, net” in the period in which the transaction is no longer considered probable of occurring. To the extent a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period in which it occurs.

We had FX forward contracts with an aggregate notional amount of \$247.0 and \$298.0 outstanding as of March 28, 2015 and December 31, 2014, respectively, with notional amounts of \$231.1, \$14.5 and \$1.4 scheduled to mature within one, two and three years, respectively. We also had FX embedded derivatives with an aggregate notional amount of \$180.7 and \$246.0 at March 28, 2015 and December 31, 2014, respectively, with notional amounts of \$146.9, \$28.2 and \$5.6 scheduled to mature within one, two and three years, respectively. The unrealized gains (losses), net of taxes, recorded in AOCI related to FX forward contracts were \$0.3 and \$(0.3) as of March 28, 2015 and December 31, 2014, respectively.

Commodity Contracts

From time to time, we enter into commodity contracts to manage the exposure on forecasted purchases of commodity raw materials. At March 28, 2015 and December 31, 2014, the outstanding notional amount of commodity contracts was 4.3 and 4.2 pounds of copper, respectively. We designate and account for these contracts as cash flow hedges and, to the extent these commodity contracts are effective in offsetting the variability of the forecasted purchases, the change in fair value is included in AOCI. We reclassify AOCI associated with our commodity contracts to cost of products sold when the forecasted transaction impacts earnings. As of March 28, 2015 and December 31, 2014, the fair value of these contracts was \$0.7 (current liability) and \$1.4 (current liability), respectively. The unrealized loss, net of taxes, recorded in AOCI was \$0.9 and \$1.0 as of March 28, 2015 and December 31, 2014, respectively. We anticipate reclassifying the unrealized loss as of March 28, 2015 to income over the next 12 months.

The following summarizes the gross and net fair values of our FX forward and commodity contracts by counterparty at March 28, 2015 and December 31, 2014, respectively:

	March 28, 2015			December 31, 2014		
	Gross Assets	Gross Liabilities	Net Assets / Liabilities	Gross Assets	Gross Liabilities	Net Assets / Liabilities
FX Forward Contracts:						
Counterparty A	\$ 0.3	\$ (0.1)	\$ 0.2	\$ —	\$ (0.1)	\$ (0.1)
Counterparty B	1.1	(3.9)	(2.8)	0.3	(3.5)	(3.2)
Aggregate of other counterparties	0.6	(1.5)	(0.9)	0.5	(1.8)	(1.3)
Totals (1)	<u>\$ 2.0</u>	<u>\$ (5.5)</u>	<u>\$ (3.5)</u>	<u>\$ 0.8</u>	<u>\$ (5.4)</u>	<u>\$ (4.6)</u>
Commodity Contracts:						
Counterparty A(2)	<u>\$ —</u>	<u>\$ (0.7)</u>	<u>\$ (0.7)</u>	<u>\$ —</u>	<u>\$ (1.4)</u>	<u>\$ (1.4)</u>

- (1) We enter into arrangements designed to provide the right of setoff in the event of counterparty default or insolvency, and have elected to offset the fair values of our qualifying financial instruments in our condensed consolidated balance sheets. Amounts presented in our condensed consolidated balance sheets were as follows:

	March 28, 2015	December 31, 2014
Designated as hedging instruments:		
Accrued expenses	\$ (0.8)	\$ (0.1)
Other long-term liabilities	(0.2)	(0.1)
	<u>(1.0)</u>	<u>(0.2)</u>
Not designated as hedging instruments:		
Other current assets	0.1	—
Accrued expenses	(2.6)	(4.4)
	<u>(2.5)</u>	<u>(4.4)</u>
Net fair value of FX forward contracts	<u>\$ (3.5)</u>	<u>\$ (4.6)</u>

(2) Related contracts are designated as hedging instruments. Net amounts at March 28, 2015 and December 31, 2014 were recorded in “Accrued expenses.”

The following summarizes the fair value of our FX embedded derivative instruments which are not designated as hedging instruments, and the related balance sheet classification as of March 28, 2015 and December 31, 2014:

Balance Sheet Classification	March 28, 2015	December 31, 2014
Other current assets	\$ 7.5	\$ 5.1
Other assets	3.0	1.2
Accrued expenses	(4.4)	(4.7)
Other long-term liabilities	(0.7)	(0.9)
	<u>\$ 5.4</u>	<u>\$ 0.7</u>

The following summarizes the pre-tax gain (loss) recognized in AOCI resulting from derivative financial instruments designated as cash flow hedging relationships for the three months ended March 28, 2015 and March 29, 2014:

	Three months ended	
	March 28, 2015	March 29, 2014
FX forward contracts	\$ 0.5	\$ 0.3
Commodity contracts	(0.4)	(1.3)
	<u>\$ 0.1</u>	<u>\$ (1.0)</u>

The following summarizes the pre-tax loss related to commodity contracts designated as cash flow hedging relationships reclassified from AOCI to income through “Cost of products sold” for the three months ended March 28, 2015 and March 29, 2014:

	Three months ended	
	March 28, 2015	March 29, 2014
Commodity contracts	\$ (0.5)	\$ (0.1)

In addition, losses of \$0.2 were recognized in “Other income, net” during the three months ended March 28, 2015 relating to derivative ineffectiveness and amounts excluded from effectiveness testing.

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The following summarizes the loss recognized in “Other income, net” for the three months ended March 28, 2015 and March 29, 2014 related to derivative financial instruments not designated as cash flow hedging relationships:

	Three months ended	
	March 28, 2015	March 29, 2014
FX forward contracts	\$ (12.2)	\$ 0.4
FX embedded derivatives	6.6	(2.2)
	<u>\$ (5.6)</u>	<u>\$ (1.8)</u>

(12) SHAREHOLDERS’ EQUITY AND STOCK-BASED COMPENSATION

Income (Loss) Per Share

The following table sets forth the number of weighted-average shares outstanding used in the computation of basic and diluted income (loss) per share:

	Three months ended	
	March 28, 2015	March 29, 2014
Weighted-average number of common shares used in basic income (loss) per share	40.503	44.236
Dilutive securities — Restricted stock shares and restricted stock units	—	0.846
Weighted-average number of common shares and dilutive securities used in diluted income (loss) per share	<u>40.503</u>	<u>45.082</u>

Given the loss from continuing operations for the three months ended March 28, 2015, an aggregate of 1.162 unvested restricted stock shares, restricted stock units, and stock options outstanding were excluded from the computation of diluted loss per share for the period. All unvested restricted stock shares and restricted stock units were included in the computation of diluted income per share for the three months ended March 29, 2014 because required market thresholds for vesting were met. There were no stock options outstanding during the three months ended March 29, 2014.

Stock-based Compensation

Stock-based compensation awards may be granted to certain eligible employees or non-employee directors under the 2002 Stock Compensation Plan, as amended, or to non-employee directors under the 2006 Non-Employee Directors' Stock Incentive Plan. A detailed description of the awards granted under these plans is included in our 2014 Annual Report on Form 10-K.

The recognition of compensation expense for share-based awards, including stock options, is based on their grant-date fair values. The fair value of each award is amortized over the lesser of the award's requisite or derived service period, which is generally up to three years. Compensation expense within income from continuing operations related to restricted stock shares, restricted stock units, and stock options totaled \$23.6 and \$24.7 for the three months ended March 28, 2015 and March 29, 2014, respectively, with a related tax benefit of \$8.8 and \$8.9 for the three-month periods, respectively.

Restricted Stock Share and Restricted Stock Unit Awards

We use the Monte Carlo simulation model valuation technique to determine fair value of our restricted stock shares and restricted stock units that contain a "market condition." The Monte Carlo simulation model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award and calculates the fair value of each restricted stock share and restricted stock unit award. Awards granted during the three months ended March 28, 2015 did not contain a market condition.

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The following table summarizes the restricted stock share and restricted stock unit activity from December 31, 2014 through March 28, 2015:

	Unvested Restricted Stock Shares and Restricted Stock Units	Weighted-Average Grant-Date Fair Value Per Share
Outstanding at December 31, 2014	1.168	\$ 69.22
Granted	0.375	85.81
Vested	(0.191)	80.46
Forfeited	(0.175)	47.67
Outstanding at March 28, 2015	1.177	75.77

As of March 28, 2015, there was \$36.3 of unrecognized compensation cost related to restricted stock share and restricted stock unit compensation arrangements. We expect this cost to be recognized over a weighted-average period of 2.1 years.

Stock Options

On January 2, 2015, we granted 0.323 stock options, all of which were outstanding (but not exercisable) as of March 28, 2015. The weighted-average exercise price per share of these options was \$85.87 and the maximum contractual term of these options is ten years. There were no stock options outstanding during the three months ended March 29, 2014.

The weighted-average grant-date fair value per share of the stock options granted on January 2, 2015 was \$27.06. The fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following assumptions:

Annual expected stock price volatility	36.53%
Annual expected dividend yield	1.75%
Risk-free interest rate	1.97%
Expected life of stock option (in years)	6.0

Annual expected stock price volatility is based on the six-year historical volatility. The annual expected dividend yield is based on annual expected dividend payments and the stock price on the date of grant. The average risk-free interest rate is based on the seven-year treasury constant maturity rate. The expected option life is based on a three-year pro-rata vesting schedule and represents the period of time that awards are expected to be outstanding.

As of March 28, 2015, there was \$2.2 of unrecognized compensation cost related to stock options. We expect this cost to be recognized over a weighted-average period of 2.8 years.

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Accumulated Other Comprehensive Income (Loss)

The changes in the components of accumulated other comprehensive income (loss), net of tax, for the three months ended March 28, 2015 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges (1)	Pension and Postretirement Liability Adjustment (2)	Total
Balance at beginning of year	\$ 59.0	\$ (1.3)	\$ 4.9	\$ 62.6
Other comprehensive income (loss) before	(131.1)	0.1	—	(131.0)

reclassifications				
Amounts reclassified from accumulated other comprehensive income	—	0.6	(0.2)	0.4
Current-period other comprehensive income (loss)	(131.1)	0.7	(0.2)	(130.6)
Balance at end of period	<u>\$ (72.1)</u>	<u>\$ (0.6)</u>	<u>\$ 4.7</u>	<u>\$ (68.0)</u>

- (1) Net of tax benefit of \$0.5 and \$1.1 as of March 28, 2015 and December 31, 2014, respectively.
- (2) Net of tax provision of \$3.0 as of March 28, 2015 and December 31, 2014, respectively. The balances as of March 28, 2015 and December 31, 2014 include net unamortized prior service credits.

The changes in the components of accumulated other comprehensive income (loss), net of tax, for the three months ended March 29, 2014 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges (1)	Net Unrealized Losses on Available-for- Sale Securities	Pension and Postretirement Liability Adjustment (2)	Total
Balance at beginning of year	\$ 296.8	\$ (0.8)	\$ (3.7)	\$ (4.8)	\$ 287.5
Other comprehensive income (loss) before reclassifications	(2.0)	(0.8)	3.8	0.2	1.2
Amounts reclassified from accumulated other comprehensive income	—	0.1	(0.3)	5.0	4.8
Current-period other comprehensive income (loss)	(2.0)	(0.7)	3.5	5.2	6.0
Balance at end of period	<u>\$ 294.8</u>	<u>\$ (1.5)</u>	<u>\$ (0.2)</u>	<u>\$ 0.4</u>	<u>\$ 293.5</u>

- (1) Net of tax benefit of \$1.2 and \$1.0 as of March 29, 2014 and December 31, 2013, respectively.
- (2) Net of tax (provision) benefit of \$(0.1) and \$2.2 as of March 29, 2014 and December 31, 2013, respectively. The balance as of December 31, 2013 primarily included \$(5.0), net of tax, related to our share of the pension liability adjustment for EGS as of December 31, 2013. In connection with the sale of our interest in EGS during the first quarter of 2014, as described in Note 1, we recognized our share of the pension liability adjustment for EGS as a component of the gain on sale of our investment interest.

The following summarizes amounts reclassified from each component of accumulated comprehensive income (loss) for the three months ended March 28, 2015 and March 29, 2014:

	Amount Reclassified from AOCI		Affected Line Items in the Condensed Consolidated Statements of Operations
	Three months ended		
	March 28, 2015	March 29, 2014	
Losses on qualifying cash flow hedges:			
Pre-tax loss on commodity contracts	\$ 0.7	\$ 0.1	Cost of products sold
Income taxes	(0.1)	—	
	<u>\$ 0.6</u>	<u>\$ 0.1</u>	
Gain on available-for-sale securities	<u>\$ —</u>	<u>\$ 0.3</u>	Other income, net
Pension and postretirement items:			
Recognition of our share of the pension liability adjustment for EGS	\$ —	\$ 7.4	Other income, net
Amortization of unrecognized prior service credits	(0.2)	—	Selling, general and administrative
Pre-tax	(0.2)	7.4	
Income taxes	—	(2.4)	
	<u>\$ (0.2)</u>	<u>\$ 5.0</u>	

Common Stock in Treasury

On December 18, 2013, we entered into a written trading plan under Rule 10b5-1 to facilitate the repurchase of up to \$500.0 of shares of our common stock on or before December 31, 2014, in accordance with a share repurchase program authorized by our Board of Directors. We repurchased 0.115 shares of our common stock for \$11.2 under this trading plan during December 2013. During the first quarter of 2014, we repurchased 1.316 shares of our common stock for \$134.3 under this trading plan. During the remainder of 2014, we repurchased 3.536 shares of our common stock for \$354.5, which completed the repurchases authorized under this trading plan. There were no common stock repurchases during the first quarter of 2015.

During the three months ended March 28, 2015 and March 29, 2014, "Common stock in treasury" was decreased by the settlement of restricted stock units issued from treasury stock of \$5.6 and \$12.0, respectively, and increased by \$1.2 and \$7.9, respectively, for common stock that was surrendered by recipients of restricted stock as a means of funding the related minimum income tax withholding requirements.

Dividends

The dividends declared during the first quarters of 2015 and 2014 totaled \$15.4 and \$16.3, respectively. We paid first quarter dividends on April 1, 2015 and April 2, 2014.

Changes in Equity

A summary of the changes in equity for the three months ended March 28, 2015 and March 29, 2014 is provided below:

	March 28, 2015			March 29, 2014		
	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
Equity, beginning of year	\$ 1,817.9	\$ 3.2	\$ 1,821.1	\$ 2,158.0	\$ 14.0	\$ 2,172.0
Net income (loss)	(7.1)	(2.9)	(10.0)	318.2	(0.4)	317.8
Net unrealized gains (losses) on qualifying cash flow hedges, net of tax (provision) benefit of \$(0.6) and \$0.2 for the three months ended March 28, 2015 and March 29, 2014, respectively	0.7	—	0.7	(0.7)	—	(0.7)
Net unrealized gains on available-for-sale securities	—	—	—	3.5	—	3.5
Pension liability adjustment, net of tax provision of \$2.3 for the three months ended March 29, 2014	(0.2)	—	(0.2)	5.2	—	5.2
Foreign currency translation adjustments	(131.1)	0.1	(131.0)	(2.0)	(0.1)	(2.1)
Total comprehensive income (loss), net	(137.7)	(2.8)	(140.5)	324.2	(0.5)	323.7
Dividends declared	(15.4)	—	(15.4)	(16.3)	—	(16.3)
Incentive plan activity	4.9	—	4.9	4.8	—	4.8
Stock-based compensation expense	23.6	—	23.6	24.7	—	24.7
Restricted stock and restricted stock unit vesting, net of tax withholdings, and related tax benefit of \$0.4 and \$8.8 for the three months ended March 28, 2015 and March 29, 2014, respectively	(5.5)	—	(5.5)	(11.5)	—	(11.5)
Common stock repurchases	—	—	—	(134.3)	—	(134.3)
Dividends attributable to noncontrolling interests	—	(0.5)	(0.5)	—	—	—
Equity, end of period	\$ 1,687.8	\$ (0.1)	\$ 1,687.7	\$ 2,349.6	\$ 13.5	\$ 2,363.1

(13) CONTINGENT LIABILITIES AND OTHER MATTERS

General

Numerous claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers' compensation claims), have been filed or are pending against us and certain of our subsidiaries. Additionally, we may become subject to significant claims of which we are currently unaware, or the claims of which we are aware may result in us incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, environmental, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures. Also, while we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures. We believe, however, that our accruals related to these items are sufficient and that these items and our rights to available insurance and indemnity will be resolved without material effect, individually or in the aggregate, on our financial position, results of operations and cash flows. These accruals, which are determined in accordance with the Contingencies Topic of the Codification, totaled \$619.1 (including \$576.9 for risk management matters) and \$619.6 (including \$575.4 for risk management matters) at March 28, 2015 and December 31, 2014, respectively. Of these amounts, \$565.7 and \$571.5 are included in "Other long-term liabilities" within our condensed consolidated balance sheets at March 28, 2015 and December 31, 2014, respectively, with the remainder included in "Accrued expenses." It is reasonably possible that our ultimate liability for these items could exceed the amount of the recorded accruals; however, we believe the estimated amount of any potential additional liability would not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows.

We had insurance recovery assets related to risk management matters of \$503.7 at March 28, 2015 and December 31, 2014, included in "Other assets" within our condensed consolidated balance sheets.

Litigation Matters

The business environment surrounding our large power projects in South Africa has become increasingly difficult, and the projects have experienced significant delays. In addition, the projects involve a complex set of contractual relationships among the end customer, the prime contractors, various subcontractors (including us and our subcontractors), and various suppliers. We are currently involved in a number of claim disputes with the prime contractors (our immediate customers) and with certain of our subcontractors relating to delay, additional costs, and performance issues. We believe that, in the accompanying condensed consolidated financial statements, we have adequately provided for those claims against us where our liability is probable and reasonably estimable. Although it is reasonably possible that our liability for certain of these claims could exceed the amount of our recorded accruals, we do

not believe that the estimated amount of any potential additional liability would have a material effect, individually or in the aggregate, on our condensed consolidated financial statements.

We are subject to other legal matters that arise in the normal course of business. We believe these matters are either without merit or of a kind that should not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows.

Environmental Matters

Our operations and properties are subject to federal, state, local and foreign regulatory requirements relating to environmental protection. It is our policy to comply fully with all applicable requirements. As part of our effort to comply, we have a comprehensive environmental compliance program that includes environmental audits conducted by internal and external independent professionals, as well as regular communications with our operating units regarding environmental compliance requirements and anticipated regulations. Based on current information, we believe that our operations are in substantial compliance with applicable environmental laws and regulations, and we are not aware of any violations that could have a material effect, individually or in the aggregate, on our business, financial condition, and results of operations or cash flows. As of March 28, 2015, we had liabilities for site investigation and/or remediation at 91 sites (91 sites at December 31, 2014) that we own or control. In addition, while we believe that we maintain adequate accruals to cover the costs of site investigation and/or remediation, we cannot provide assurance that new matters, developments, laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect our business or operations in the future.

Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. Accordingly, our estimates may change based on future developments, including new or changes in existing environmental laws or policies, differences in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. It is our policy to revise an estimate once it becomes probable and the amount of change can be reasonably estimated. We generally do not discount our environmental accruals and do not reduce them by anticipated insurance recoveries. We take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification.

In the case of contamination at offsite, third-party disposal sites, as of March 28, 2015, we have been notified that we are potentially responsible and have received other notices of potential liability pursuant to various environmental laws at 27 sites (28 sites at December 31, 2014) at which the liability has not been settled, of which 8 sites (9 sites at December 31, 2014) have been active in the past few years. These laws may impose liability on certain persons that are considered jointly and severally liable for the costs of investigation and remediation of hazardous substances present at these sites, regardless of fault or legality of the original disposal. These persons include the present or former owners or operators of the site and companies that generated, disposed of or arranged for the disposal of hazardous substances at the site. We are considered a “*de minimis*” potentially responsible party at most of the sites, and we estimate that our aggregate liability, if any, related to these sites is not material to our condensed consolidated financial statements. We conduct extensive environmental due diligence with respect to potential acquisitions, including

environmental site assessments and such further testing as we may deem warranted. If an environmental matter is identified, we estimate the cost and either establish a liability, purchase insurance or obtain an indemnity from a financially sound seller; however, in connection with our acquisitions or dispositions, we may assume or retain significant environmental liabilities, some of which we may be unaware. The potential costs related to these environmental matters and the possible impact on future operations are uncertain due in part to the complexity of government laws and regulations and their interpretations, the varying costs and effectiveness of various clean-up technologies, the uncertain level of insurance or other types of recovery, and the questionable level of our responsibility. We record a liability when it is both probable and the amount can be reasonably estimated.

In our opinion, after considering accruals established for such purposes, the cost of remedial actions for compliance with the present laws and regulations governing the protection of the environment are not expected to have a material impact, individually or in the aggregate, on our financial position, results of operations or cash flows.

Risk Management Matters

We are self-insured for certain of our workers’ compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for risk management matters are determined by us, are based on claims filed and estimates of claims incurred but not yet reported, and generally are not discounted. We consider a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts. This insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against loss exposure.

Collaborative Arrangements

Collaborative arrangements are defined as contractual arrangements in which the parties are (1) active participants to the arrangements and (2) exposed to significant risks and rewards that depend on the commercial success of the endeavor. Costs incurred and revenues generated from transactions with third parties are required to be reported by the collaborators on the appropriate line item in their respective statements of operations.

We enter into consortium arrangements for certain projects within our Thermal Equipment and Services reportable segment. Under such arrangements, each consortium member is responsible for performing certain discrete items of work within the total scope of the contracted work and the consortium expires when all contractual obligations are completed. The revenues for these discrete items of work are defined in the contract with the project owner and each consortium member bearing the profitability risk associated with its own work. Our consortium arrangements typically provide that each consortium member assumes responsibility for its share of any damages or losses associated with the project; however, the use of a consortium arrangement typically results in joint and several liability for the consortium members. If responsibility cannot be determined or a consortium member defaults, then the consortium members are responsible according to their share of the contract value. Within our condensed consolidated financial statements, we account for our share of the revenues and profits under the consortium arrangements. As of March 28, 2015, our share of the aggregate contract value on open consortium arrangements was \$81.4 (of which approximately 75% had been recognized as revenue), and the aggregate contract value on open consortium arrangements was \$336.2. As of December 31, 2014, our share of the aggregate contract value on open consortium arrangements was \$65.2 (of which approximately 87% had been recognized as revenue), and the aggregate contract value on open consortium arrangements was \$291.1. At March 28, 2015 and December 31, 2014,

we recorded liabilities of \$0.3 and \$0.7, respectively, representing the estimated fair value of our potential obligation under the joint and several liability provisions associated with the consortium arrangements.

(14) INCOME TAXES

Unrecognized Tax Benefits

As of March 28, 2015, we had gross unrecognized tax benefits of \$66.3 (net unrecognized tax benefits of \$35.9), of which \$35.4, if recognized, would impact our effective tax rate from continuing operations.

We classify interest and penalties related to unrecognized tax benefits as a component of our income tax provision. As of March 28, 2015, gross accrued interest totaled \$6.3 (net accrued interest of \$5.3). As of March 28, 2015, we had no accrual for penalties included in our unrecognized tax benefits.

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Based on the outcome of certain examinations or as a result of the expiration of statutes of limitations for certain jurisdictions, we believe that within the next 12 months it is reasonably possible that our previously unrecognized tax benefits could decrease by approximately \$10.0 to \$15.0. The previously unrecognized tax benefits relate to a variety of tax matters relating to deemed income inclusions, transfer pricing and various state matters.

Other Tax Matters

For the three months ended March 28, 2015, we recorded an income tax provision of \$9.5 on a pre-tax loss of \$0.1 from continuing operations. This compares to an income tax provision for the three months ended March 29, 2014 of \$160.0 on \$456.7 of pre-tax income from continuing operations, resulting in an effective tax rate of 35.0%. The most significant items impacting the income tax provision for the first quarter of 2015 were (i) \$5.1 of taxes related to the planned spin-off transaction, including \$4.9 of foreign income taxes related to reorganization actions undertaken to facilitate the separation, and (ii) approximately \$14.0 of pre-tax losses generated during the quarter in jurisdictions for which no tax benefit was recognized, as future realization of any such tax benefit is considered unlikely. The most significant item impacting the effective tax rate for the first quarter of 2014 was the U.S. income taxes that were provided in connection with the \$491.2 gain that was recorded during the quarter on the sale of our interest in EGS.

We perform reviews of our income tax positions on a continuous basis and accrue for potential uncertain positions when we determine that an uncertain position meets the criteria of the Income Taxes Topic of the Codification. Accruals for these uncertain tax positions are recorded in "Income taxes payable" and "Deferred and other income taxes" in the accompanying condensed consolidated balance sheets based on the expectation as to the timing of when the matters will be resolved. As events change and resolutions occur, these accruals are adjusted, such as in the case of audit settlements with taxing authorities.

We have filed our federal income tax returns for the 2012 and 2013 tax years and those returns are subject to examination. The IRS is currently examining the 2012 tax return year. With regard to all open tax years, we believe any contingencies are adequately provided for.

State income tax returns generally are subject to examination for a period of three to five years after filing the respective tax returns. The impact on such tax returns of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. We have various state income tax returns in the process of examination or administrative appeal. We believe any uncertain tax positions related to these examinations have been adequately provided for.

We have various foreign income tax returns under examination. The most significant of these are in Denmark for the 2006, 2007, 2009, and 2010 tax years and in South Africa for the 2005 to 2010 tax years. We believe that any uncertain tax positions related to these examinations have been adequately provided for.

An unfavorable resolution of one or more of the above matters could have a material adverse effect on our results of operations or cash flows in the quarter and year in which an adjustment is recorded or the tax is due or paid. As audits and examinations are still in process or we have not yet reached the final stages of the appeals process, the timing of the ultimate resolution and any payments that may be required for the above matters cannot be determined at this time.

(15) FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

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- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Significant inputs to the valuation model are unobservable.

There were no changes during the periods presented to the valuation techniques we use to measure asset and liability fair values on a recurring basis. There were no transfers between the three levels of the fair value hierarchy for the three months ended March 28, 2015 or March 29, 2014.

The following section describes the valuation methodologies we use to measure different financial instruments at fair value on a recurring basis.

Derivative Financial Instruments

Our financial derivative assets and liabilities include FX forward contracts, FX embedded derivatives and commodity contracts, valued using valuation models based on observable market inputs such as forward rates, interest rates, our own credit risk and the credit risk of our counterparties, which comprise investment-grade financial institutions. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. We have not made any adjustments to the inputs obtained from the independent sources. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments active. We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount.

As of March 28, 2015, there had been no significant impact to the fair value of our derivative liabilities due to our own credit risk, as the related instruments are collateralized under our senior credit facilities. Similarly, there has been no significant impact to the fair value of our derivative assets based on our evaluation of our counterparties' credit risks.

Investments in Equity Securities

Certain of our investments in equity securities that are not readily marketable are accounted for under the fair value option and are classified as Level 3 assets in the fair value hierarchy, with such values determined by multidimensional pricing models. These models consider market activity based on modeling of securities with similar credit quality, duration, yield and structure. A variety of inputs are used, including benchmark yields, reported trades, non-binding broker/dealer quotes, issuer spread and reference data including market research publications. Market indicators, industry and economic events are also considered. We have not made any adjustments to the inputs obtained from the independent sources. At March 28, 2015 and December 31, 2014, these assets had a fair value of \$10.3 and \$7.4, respectively.

Assets and liabilities measured at fair value on a recurring basis included the following as of March 28, 2015:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Other current assets — FX embedded derivatives and FX forward contracts	\$ —	\$ 7.6	\$ —
Other assets — FX embedded derivatives and investment in equity securities	—	3.0	10.3
Accrued expenses — FX forward contracts, FX embedded derivatives and commodity contracts	—	8.5	—
Other long-term liabilities — FX embedded derivatives and FX forward contracts	—	0.9	—

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Assets and liabilities measured at fair value on a recurring basis included the following as of December 31, 2014:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Other current assets — FX embedded derivatives	\$ —	\$ 5.1	\$ —
Other assets — FX embedded derivatives and investment in equity securities	—	1.2	7.4
Accrued expenses — FX forward contracts, FX embedded derivatives and commodity contracts	—	10.6	—
Other long-term liabilities — FX embedded derivatives and FX forward contracts	—	1.0	—

The table below presents a reconciliation of our investment in equity securities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended March 28, 2015 and March 29, 2014, including net unrealized gains (losses) recorded to "Other income, net."

	Three months ended	
	March 28, 2015	March 29, 2014
Balance at beginning of year	\$ 7.4	\$ 1.4
Unrealized gains recorded to earnings	2.9	1.6
Balance at end of period	\$ 10.3	\$ 3.0

Goodwill, Indefinite-Lived Intangible and Other Long-Lived Assets

Certain of our non-financial assets are subject to impairment analysis, including long-lived assets, indefinite-lived intangible assets and goodwill. We review the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the instrument be recorded at its fair value. As of March 28, 2015 and December 31, 2014, we did not have any significant non-financial assets or liabilities that were required to be measured at fair value on a recurring or non-recurring basis.

Indebtedness and Other

The estimated fair values of other financial liabilities (excluding capital leases) not measured at fair value on a recurring basis as of March 28, 2015 and December 31, 2014 were as follows:

	March 28, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior notes	\$ 600.0	\$ 657.0	\$ 600.0	\$ 665.3
Term loan	575.0	575.0	575.0	575.0
Other indebtedness	298.5	298.5	181.1	181.1

The following methods and assumptions were used in estimating the fair value of these financial instruments:

- The fair values of the senior notes and term loan were determined using Level 2 inputs within the fair value hierarchy and were based on quoted market prices for the same or similar instruments or on current rates offered to us for debt with similar maturities, subordination and credit default expectations.
- The fair value of our other indebtedness approximated carrying value due primarily to the short-term nature of these instruments.

The carrying amounts of cash and equivalents and receivables reported in our condensed consolidated balance sheets approximate fair value due to the short maturity of those instruments.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (in millions)

EXECUTIVE OVERVIEW

Summary of Operating Results

Revenues for the three months ended March 28, 2015 decreased by 12.1% when compared to the same period in 2014, with the most significant fluctuations related to a stronger U.S. dollar in the first quarter of 2015, as well as a decrease in sales associated with the power and energy business within our Flow Technology reportable segment primarily resulting from the impact of lower oil prices. Income associated with our reportable and other operating segments totaled \$75.5 for the three months ended March 28, 2015, compared to \$98.7 for the three months ended March 29, 2014. The year-over-year decrease in income associated with our reportable and other operating segments was primarily attributable to the decline in revenues noted above.

Cash flows used in continuing operations totaled \$108.3 during the first three months of 2015, compared to \$58.6 during the first three months of 2014. The increase in cash flows used in continuing operations was due primarily to (i) the decline in segment profitability noted above and (ii) the timing of cash receipts on certain large projects.

Planned Spin-Off Transaction

On October 29, 2014, we announced that our Board of Directors had unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, a business currently reported within Industrial Products and Services and Other. The spin-off would create a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global food and beverage, power and energy, and industrial markets. Since the announcement, we have been focused on building out the necessary infrastructure that is required for each of these future companies, including the identification of leadership teams and development of the required corporate functional support systems. We continue to expect that the transaction will be completed during the third quarter of 2015.

During the three months ended March 28, 2015, we recorded \$5.0 of professional fees and other costs (included in "Selling, general and administrative" expense) related to the planned spin-off transaction. Additionally, during the first quarter of 2015, we recorded a charge of \$5.1 primarily for foreign income taxes that were provided in connection with certain reorganization actions that were undertaken to facilitate the planned spin-off transaction.

RESULTS OF CONTINUING OPERATIONS

The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our 2014 Annual Report on Form 10-K. Interim results are not necessarily indicative of results for a full year. We establish actual interim closing dates using a fiscal calendar, which requires our businesses to close their books on the Saturday closest to the end of the first calendar quarter, with the second and third quarters being 91 days in length. Our fourth quarter ends on December 31. The interim closing dates for the first, second and third quarters of 2015 are March 28, June 27 and September 26, compared to the respective March 29, June 28 and September 27, 2014 dates. We had one less day in the first quarter of 2015 and will have one more day in the fourth quarter of 2015 than in the respective 2014 periods.

Seasonality and Competition — Many of our businesses closely follow changes in the industries and end markets they serve. In addition, certain businesses have seasonal fluctuations. Demand in the oil and gas aftermarket is typically stronger in the second half of the year. Our personal comfort heating products businesses tend to be stronger during the third and fourth quarters, as customer buying habits are driven largely by seasonal weather patterns. Demand for cooling towers, food and beverage systems and related services is highly correlated to timing on large construction contracts, which may cause significant fluctuations in our financial performance from period to period. In aggregate, our businesses generally tend to be stronger in the second half of the year.

Although our businesses operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since our competitors do not offer all the same product lines or serve all the same markets. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are service, product performance, technical innovation and price. These methods vary with the type of product sold. We believe we compete effectively on the basis of each of these factors.

Non-GAAP Measures — Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and acquisitions. We believe this metric is a useful financial measure for investors in evaluating our operating performance for the periods presented, as, when read in conjunction with our revenues, it presents a useful tool to evaluate our ongoing operations and provides investors with a tool they can use to evaluate our management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors we use in internal evaluations of the overall performance of our business. This metric, however, is not a measure of financial performance under accounting

principles generally accepted in the United States (“GAAP”), should not be considered a substitute for net revenue growth (decline) as determined in accordance with GAAP and may not be comparable to similarly titled measures reported by other companies.

The following table provides selected financial information for the three months ended March 28, 2015 and March 29, 2014, respectively, including the reconciliation of organic revenue decline to net revenue decline:

	Three months ended		
	March 28, 2015	March 29, 2014	% Change
Revenues	\$ 946.9	\$ 1,077.1	(12.1)
Gross profit	261.9	301.5	(13.1)
% of revenues	27.7%	28.0%	
Selling, general and administrative expense	233.2	267.5	(12.8)
% of revenues	24.6%	24.8%	
Intangible amortization	7.3	8.3	(12.0)
Special charges, net	6.6	10.0	(34.0)
Other income, net	0.8	490.6	(99.8)
Interest expense, net	(15.7)	(17.1)	(8.2)
Loss on early extinguishment of debt	—	(32.5)	*
Income (loss) from continuing operations before income taxes	(0.1)	456.7	*
Income tax provision	(9.5)	(160.0)	(94.1)
Income (loss) from continuing operations	(9.6)	296.7	*
Components of consolidated revenue decline:			
Organic decline			(5.7)
Foreign currency			(6.4)
Net revenue decline			(12.1)

* Not meaningful for comparison purposes.

Revenues — For the three months ended March 28, 2015, the decrease in revenues, compared to the respective 2014 period, was due to the strengthening of the U.S. dollar during the period and a decrease in organic revenue. The decline in organic revenue was attributable primarily to decreases at the power and energy business within our Flow Technology reportable segment and lower sales to the power generation markets within our Thermal Equipment and Services reportable segment. See “Results of Reportable Segments and Other Operating Segments” for additional details.

Gross Profit — The decrease in gross profit for the three months ended March 28, 2015, compared to the respective period in 2014, was due primarily to the impact of the strengthening U.S. dollar and the organic revenue decline noted above. The decrease in gross profit as a percentage of revenue for the three months ended March 28, 2015, compared to the respective period in 2014, was due to reduced profitability on the large power projects in South Africa, partially offset by an increase in margins in our Flow Technology reportable segment, related primarily to (i) improved operational execution for the segment’s food and beverage business

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and (ii) cost reductions from restructuring actions completed in 2014 by the segment’s power and energy and food and beverage businesses. See “Results of Reportable Segments and Other Operating Segments” for additional details.

Selling, General and Administrative (“SG&A”) expense — For the three months ended March 28, 2015, the decrease in SG&A expense, when compared to the respective period in 2014, was due to a decrease in pension and postretirement expense of \$17.4 (an overall decrease in pension and postretirement expense of \$18.5, with \$1.1 included in “Cost of products sold”), the impact of a stronger U.S. dollar during the period, and a decrease in incentive compensation expense, partially offset by professional fees and other costs associated with our planned spin-off transaction. The decrease in pension and postretirement expense was due primarily to the fact that the amount for the first quarter of 2014 included (i) losses (an actuarial loss and settlement loss) of \$19.4 associated with a lump-sum payment action related to the SPX U.S. Pension Plan (the “U.S. Plan”) and (ii) a \$4.1 increase to the settlement gain that was recorded in connection with the 2013 annuitization of the U.S. Plan. The decrease in incentive compensation expense was due to lower profitability in the first quarter of 2015, compared to the respective period in 2014.

Intangible Amortization — For the three months ended March 28, 2015, the decrease in intangible amortization was due primarily to the impact of foreign currency translation.

Special Charges, net — Special charges, net, related primarily to restructuring initiatives to consolidate manufacturing, distribution, sales and administrative facilities, reduce workforce and rationalize certain product lines. See Note 5 to our condensed consolidated financial statements for the details of actions taken in 2015 and 2014.

Other Income, net — Other income, net, for the three months ended March 28, 2015 was composed primarily of gains on currency forward embedded derivatives (“FX embedded derivatives”) of \$6.6, foreign currency transaction gains of \$3.3, and investment earnings of \$3.1, partially offset by losses on foreign currency forward contracts (“FX forward contracts”) of \$12.2.

Other income, net, for the three months ended March 29, 2014 was composed primarily of the gain on sale of our investment interest in the EGS Electrical Group LLC and Subsidiaries (“EGS”) joint venture of \$491.2 and, to a much lesser extent, investment earnings of \$3.5 and gains on FX forward contracts of \$0.4, partially offset by losses on FX embedded derivatives of \$2.2 and foreign currency transaction losses of \$2.2.

Interest Expense, net — Interest expense, net, includes both interest expense and interest income. The decrease in interest expense, net, during the three months ended March 28, 2015, when compared to the same period in 2014, was primarily a result of the redemption of all our 7.625% senior notes

during the first quarter of 2014 and, to a lesser extent, lower average interest rates and fees related to our senior credit facilities. Refer to the discussion of Liquidity and Financial Condition in our 2014 Annual Report on Form 10-K for details pertaining to our 2014 debt activity.

Loss on Early Extinguishment of Debt — On February 11, 2014, we completed the redemption of all our 7.625% senior notes due in December 2014 for a total redemption price of \$530.6. As a result of the redemption, we recorded a charge of \$32.5 during the first quarter of 2014, which consisted of the premiums paid of \$30.6, the write-off of unamortized deferred financing fees of \$1.0, and other costs incurred to redeem the notes of \$0.9.

Income Tax Provision — For the three months ended March 28, 2015, we recorded an income tax provision of \$9.5 on a pre-tax loss of \$0.1 from continuing operations. This compares to an income tax provision for the three months ended March 29, 2014 of \$160.0 on \$456.7 of pre-tax income from continuing operations, resulting in an effective tax rate of 35.0%. The most significant items impacting the income tax provision for the first quarter of 2015 were (i) \$5.1 of taxes related to the planned spin-off transaction, including \$4.9 of foreign income taxes related to reorganization actions undertaken to facilitate the separation, and (ii) approximately \$14.0 of pre-tax losses generated during the quarter in jurisdictions for which no tax benefit was recognized, as future realization of any such tax benefit is considered unlikely. The most significant item impacting the effective tax rate for the first quarter of 2014 was the U.S. income taxes that were provided in connection with the \$491.2 gain that was recorded during the quarter on the sale of our interest in EGS.

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RESULTS OF DISCONTINUED OPERATIONS

As part of our operating strategy, we regularly review and negotiate potential divestitures, some of which are or may be material.

As indicated in Note 2 to our condensed consolidated financial statements, there were no disposal activities in the first quarter of 2015. Prior to January 1, 2015, we reported businesses or asset groups as discontinued operations when, among other things, we terminated the operations of the business or asset group, committed to a plan to divest the business or asset group or actively began marketing the business or asset group, and the sale of the business or asset group was deemed probable within the next twelve months.

During the first quarter of 2014, we sold our Thermal Products Solutions (“TPS”) business for cash consideration of \$38.5 and a promissory note of \$4.0, resulting in a gain, net of tax, during the quarter of \$21.5. The promissory note was paid in full during the fourth quarter of 2014.

In addition to the TPS business, we recognized net losses of \$0.4 and \$0.5 during the three months ended March 28, 2015 and March 29, 2014, respectively, resulting from adjustments to gains/losses on dispositions of businesses discontinued prior to 2014.

For the first three months of 2015 and 2014, income (loss) from discontinued operations and the related income taxes are shown below:

	Three months ended	
	March 28, 2015	March 29, 2014
Income (loss) from discontinued operations	\$ (0.4)	\$ 33.9
Income tax provision	—	(12.8)
Income (loss) from discontinued operations, net	<u>\$ (0.4)</u>	<u>\$ 21.1</u>

For the first three months of 2015 and 2014, results of operations from our businesses reported as discontinued operations were as follows:

	Three months ended	
	March 28, 2015	March 29, 2014
Revenues	\$ —	\$ 26.0
Pre-tax income	—	—

RESULTS OF REPORTABLE SEGMENTS AND OTHER OPERATING SEGMENTS

The following information should be read in conjunction with our condensed consolidated financial statements and related notes. These results exclude the operating results of discontinued operations for all periods presented. See Note 4 to the condensed consolidated financial statements for a description of each of our reportable and other operating segments.

Non-GAAP Measures — Throughout the following discussion of reportable and other operating segment results, we use “organic revenue” growth (decline) to facilitate explanation of the operating performance of our segments. Organic revenue growth (decline) is a non-GAAP financial measure and is not a substitute for revenue growth (decline). Refer to the explanation of this measure and purpose of use by management under “Results of Continuing Operations—Non-GAAP Measures.”

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Flow Technology Reportable Segment

	Three months ended		
	March 28, 2015	March 29, 2014	% Change
Revenues	\$ 530.8	\$ 616.7	(13.9)
Income	59.3	66.2	(10.4)
% of revenues	11.2%	10.7%	
Components of revenue decline:			
Organic decline			(5.6)
Foreign currency			(8.3)
Net revenue decline			<u>(13.9)</u>

Revenues — For the three months ended March 28, 2015, the decrease in revenues, compared to the respective 2014 period, was due to the strengthening of the U.S. dollar during the period and, to a lesser extent, a decrease in organic revenue. The decrease in organic revenue was due primarily to lower sales of power and energy pumps, largely reflecting the impact of lower oil prices. This decrease was offset partially by a year-over-year increase in sales of food and beverage components and systems.

Income — For the three months ended March 28, 2015, income decreased, compared to the respective 2014 period, due primarily to the impact of the strengthening U.S. dollar and the organic revenue decline noted above. These declines in income were offset partially by the impact of (i) improved operational performance within the segment's food and beverage business and (ii) cost reductions during the period associated with restructuring initiatives implemented during 2014 within the segment's power and energy and food and beverage businesses, with these two items also resulting in an increase in the segment's profit margin during the three months ended March 28, 2015, compared to the respective 2014 period.

Backlog — The segment had backlog of \$1,162.4 and \$1,393.2 as of March 28, 2015 and March 29, 2014, respectively. Of the \$230.8 year-over-year decline in backlog, \$143.5 was attributable to the impact of a stronger U.S. dollar as of March 28, 2015, as compared to March 29, 2014.

Thermal Equipment and Services Reportable Segment

	Three months ended		% Change
	March 28, 2015	March 29, 2014	
Revenues	\$ 247.2	\$ 279.6	(11.6)
Income (loss)	(2.8)	9.2	(130.4)
% of revenues	(1.1)%	3.3%	
Components of revenue decline:			
Organic decline			(6.8)
Foreign currency			(4.8)
Net revenue decline			(11.6)

Revenues — For the three months ended March 28, 2015, the decrease in revenues, compared to the respective 2014 period, was due to an organic revenue decline and a stronger U.S. dollar during the period. The organic revenue decline was concentrated in power generation markets and due primarily to (i) lower sales of heat exchangers in Asia Pacific and (ii) a reduction in revenue associated with the large power projects in South Africa. These declines in organic revenue were offset partially by an increase in sales of package cooling products.

Income (loss) — For the three months ended March 28, 2015, the decrease in income and margin, compared to the respective 2014 period, was due primarily to a decline of approximately \$8.0 of income related to the large power projects in South Africa and the organic revenue declines noted above. These declines in income and margin were offset partially by increased profitability within the segment's personal comfort heating products businesses.

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Backlog — The segment had backlog of \$645.1 and \$673.7 as of March 28, 2015 and March 29, 2014, respectively. Of the \$28.6 year-over-year decline in backlog, \$61.8 was attributable to the impact of a stronger U.S. dollar as of March 28, 2015, as compared to March 29, 2014, offset partially by a year-over-year increase due to organic backlog growth of \$33.2. Portions of this backlog are long-term in nature, with the related revenues expected to be recorded through 2015 and beyond. The backlog figures as of March 28, 2015 and March 29, 2014 exclude approximately \$65.0 and \$90.0, respectively, of estimated price increases related to cost inflation on our large power projects in South Africa.

Industrial Products and Services and Other

	Three months ended		% Change
	March 28, 2015	March 29, 2014	
Revenues	\$ 168.9	\$ 180.8	(6.6)
Income	19.0	23.3	(18.5)
% of revenues	11.2%	12.9%	
Components of revenue decline:			
Organic decline			(4.4)
Foreign currency			(2.2)
Net revenue decline			(6.6)

Revenues — For the three months ended March 28, 2015, the decrease in revenues, compared to the respective 2014 period, was due to a decrease in organic revenue and, to a lesser extent, the strengthening of the U.S. dollar during the period. The decrease in organic revenue was due primarily to lower sales of fare collection systems, power transformers and communication and signal monitoring systems, partially offset by an increase in sales of portable cable and pipe locators.

Income — For the three months ended March 28, 2015, income and margin decreased, compared to the respective 2014 period, due primarily to the organic revenue decline and the impact of the strengthening U.S. dollar noted above, partially offset by improved productivity within our power transformer business.

Backlog — The segment had backlog of \$339.0 and \$317.7 as of March 28, 2015 and March 29, 2014, respectively. The impact of changes in foreign currencies (versus the U.S. dollar) was not material to the segment's backlog as of March 28, 2015 and March 29, 2014.

Corporate and Other Expenses

	Three months ended		% Change
	March 28, 2015	March 29, 2014	
Total consolidated revenues	\$ 946.9	\$ 1,077.1	(12.1)

Corporate expense	29.2	28.5	2.5
% of revenues	3.1%	2.6%	
Stock-based compensation expense	23.6	24.7	(4.5)
Pension and postretirement expense	1.3	19.8	(93.4)

Corporate Expense — Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia Pacific center in Shanghai, China. The increase in corporate expense for the three months ended March 28, 2015, compared to the respective period in 2014, was due to one-time costs associated with our planned spin-off transaction, partially offset by a decline in incentive compensation expense due to lower profitability in the first quarter of 2015, compared to the respective period in 2014.

Stock-based Compensation Expense — Stock-based compensation expense represents our consolidated expense, which we do not allocate for segment reporting purposes. The decrease in stock-based compensation expense for the three months ended March 28, 2015, compared to the respective period in 2014, was due primarily to a higher rate of forfeitures during the first quarter of 2015, compared to the respective period in 2014.

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Pension and Postretirement Expense — Pension and postretirement expense represents our consolidated expense, which we do not allocate for segment reporting purposes. The decline in pension and postretirement expense was due primarily to the fact that the amount for the first quarter of 2014 included (i) losses (an actuarial loss and settlement loss) of \$19.4 associated with a lump-sum payment action related to the U.S. Plan and (ii) a \$4.1 increase to the settlement gain that was recorded in connection with the 2013 annuitization of the U.S. Plan.

LIQUIDITY AND FINANCIAL CONDITION

Listed below are the cash flows from (used in) operating, investing, and financing activities and discontinued operations, as well as the net change in cash and equivalents for the three months ended March 28, 2015 and March 29, 2014.

Cash Flow

	Three months ended	
	March 28, 2015	March 29, 2014
Continuing operations:		
Cash flows used in operating activities	\$ (108.3)	\$ (58.6)
Cash flows from (used in) investing activities	(14.5)	564.3
Cash flows from (used in) financing activities	96.9	(742.4)
Cash flows from (used in) discontinued operations	(0.5)	36.3
Change in cash and equivalents due to changes in foreign currency exchange rates	(38.1)	(5.4)
Net change in cash and equivalents	\$ (64.5)	\$ (205.8)

Operating Activities — The increase in cash flows used in operating activities during the three months ended March 28, 2015, as compared to the same period in 2014, was due primarily to (i) a decline in segment profitability and (ii) the timing of cash receipts on certain large projects.

Investing Activities — Cash flows used in investing activities during the three months ended March 28, 2015 related primarily to \$14.4 of capital expenditures associated generally with upgrades of manufacturing facilities and information technology. Cash flows from investing activities during the three months ended March 29, 2014 related primarily to proceeds from the sale of our interest in EGS of \$574.1, as discussed in Note 1 to the condensed consolidated financial statements, partially offset by \$11.3 of capital expenditures associated generally with upgrades of manufacturing facilities and replacement of equipment.

Financing Activities — Cash flows from financing activities during the three months ended March 28, 2015 related primarily to net borrowings of \$77.0 and \$45.0 under our senior credit facilities and trade receivables financing arrangement, respectively, partially offset by dividends paid during the first quarter of 2015 of \$15.6. Cash flows used in financing activities during the three months ended March 29, 2014 related primarily to (i) the redemption of all our 7.625% senior notes during the first quarter of 2014 for \$530.6, (ii) repurchases of common stock totaling \$134.3, as discussed in Note 12 to the condensed consolidated financial statements, and (iii) net repayments of other debt of \$53.9, related primarily to the repayment of the obligation associated with our corporate headquarters.

Discontinued Operations — Cash flows used in discontinued operations for the three months ended March 28, 2015 related primarily to payments for certain liabilities associated with businesses previously sold, while cash flows from discontinued operations for the three months ended March 29, 2014 included \$38.5 of cash proceeds related to the sale of TPS as well as operating cash flows related primarily to TPS and other businesses discontinued prior to 2014.

Change in Cash and Equivalents due to Changes in Foreign Currency Exchange Rates — The decrease in cash and equivalents due to changes in foreign currency exchange rates for the three months ended March 28, 2015 reflected primarily a reduction in U.S. dollar equivalent balances of our Euro-denominated cash and equivalents as a result of the strengthening of the U.S. dollar against the Euro during the period. Changes in foreign currency exchange rates resulted only in a \$5.4 decrease in cash and equivalents during the same period of 2014.

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Borrowings and Availability

Borrowings — The following summarizes our debt activity (both current and non-current) for the three months ended March 28, 2015. See Note 10 to the condensed consolidated financial statements for additional details regarding our indebtedness.

	December 31, 2014	Borrowings	Repayments	Other (4)	March 28, 2015
Domestic revolving loan facility	\$ 133.0	\$ 196.0	\$ (119.0)	\$ —	\$ 210.0
Term loan (1)	575.0	—	—	—	575.0
6.875% senior notes, due in August 2017	600.0	—	—	—	600.0
Trade receivables financing arrangement (2)	10.0	70.0	(25.0)	—	55.0
Other indebtedness (3)	51.7	0.2	(4.5)	(1.3)	46.1
Total debt	1,369.7	<u>\$ 266.2</u>	<u>\$ (148.5)</u>	<u>\$ (1.3)</u>	1,486.1
Less: short-term debt	181.1				298.5
Less: current maturities of long-term debt	30.8				37.7
Total long-term debt	<u>\$ 1,157.8</u>				<u>\$ 1,149.9</u>

- (1) The term loan is repayable in quarterly installments of 5.0% annually, beginning with our second fiscal quarter of 2015, with the remaining balance repayable in full on December 23, 2018.
- (2) Under this arrangement, we can borrow, on a continuous basis, up to \$80.0, as available. At March 28, 2015, we had \$19.4 of available borrowing capacity under this facility after giving effect to outstanding borrowings of \$55.0.
- (3) Primarily included balances under a purchase card program of \$28.4 and \$32.1 and capital lease obligations of \$12.6 and \$13.6 at March 28, 2015 and December 31, 2014, respectively. The purchase card program allows for payment beyond the normal payment terms for goods and services acquired under the program. As this arrangement extends the payment of these purchases beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.
- (4) "Other" primarily included debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

At March 28, 2015, we were in compliance with all covenant provisions of our senior credit facilities and senior notes.

Availability — At March 28, 2015, we had \$236.2 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facility of \$210.0 and \$53.8 reserved for outstanding letters of credit, and \$19.4 of available borrowing capacity under our trade receivables financing arrangement after giving effect to outstanding borrowings of \$55.0 under this arrangement. In addition, at March 28, 2015, we had \$326.2 of available issuance capacity under our foreign trade facilities after giving effect to \$673.8 reserved for outstanding letters of credit.

We have a shelf registration statement for 8.3 shares of common stock that may be issued for acquisitions. In addition, other financing instruments may be used from time to time including, but not limited to, private placement instruments, operating leases, capital leases and securitizations. We expect that we will continue to access these markets as appropriate to maintain liquidity and to provide sources of funds for general corporate purposes, acquisitions or to refinance existing debt.

Financial Instruments

We measure our financial assets and liabilities on a recurring basis, and nonfinancial assets and liabilities on a non-recurring basis, at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We utilize market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2) or significant unobservable inputs (Level 3).

Our derivative financial assets and liabilities include FX forward contracts, FX embedded derivatives and forward contracts that manage the exposure on forecasted purchases of commodity raw materials ("commodity contracts") that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments active.

As of March 28, 2015, there was no significant impact to the fair value of our derivative liabilities due to our own credit risk as the related instruments are collateralized under our senior credit facilities. Similarly, there was no significant impact to the fair value of our derivative assets based on our evaluation of our counterparties' credit risk.

We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount. Assets and liabilities measured at fair value on a recurring basis are further discussed below.

Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency denominated cash flows and to minimize the impact of changes as a result of currency fluctuations. Our principal currency exposures relate to the Euro, South African Rand, Chinese Yuan and Great Britain Pound.

From time to time, we enter into FX forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries. In addition, some of our contracts contain currency FX embedded derivatives, because the currency of exchange is not "clearly and closely" related to the functional currency of either party to the transaction. Certain of our FX forward contracts are designated as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not

included in current earnings, but are included in accumulated other comprehensive income (“AOCI”). These changes in fair value are reclassified into earnings as a component of revenues or cost of products sold, as applicable, when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives’ fair value is recorded as a component of “Other income, net” in the period in which the transaction is no longer considered probable of occurring. To the extent a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period in which it occurs.

We had FX forward contracts with an aggregate notional amount of \$247.0 and \$298.0 outstanding as of March 28, 2015 and December 31, 2014, respectively, with notional amounts of \$231.1, \$14.5 and \$1.4 scheduled to mature within one, two and three years, respectively. We also had FX embedded derivatives with an aggregate notional amount of \$180.7 and \$246.0 at March 28, 2015 and December 31, 2014, respectively, with notional amounts of \$146.9, \$28.2 and \$5.6 scheduled to mature within one, two and three years, respectively. The unrealized gains (losses), net of taxes, recorded in AOCI related to FX forward contracts were \$0.3 and \$(0.3) as of March 28, 2015 and December 31, 2014, respectively. We anticipate reclassifying the \$0.3 unrealized gain as of March 28, 2015 to income over the next 12 months. The net loss recorded in “Other income, net” related to FX forward contracts and FX embedded derivatives totaled \$5.6 and \$1.8 during the three months ended March 28, 2015 and March 29, 2014, respectively.

The fair values of our FX forward contracts and FX embedded derivatives were as follows:

	March 28, 2015				December 31, 2014			
	Current Assets	Noncurrent Assets	Current Liabilities	Long-Term Liabilities	Current Assets	Noncurrent Assets	Current Liabilities	Long-Term Liabilities
FX forward contracts	\$ 0.1	\$ —	\$ (3.4)	\$ (0.2)	\$ —	\$ —	\$ (4.5)	\$ (0.1)
FX embedded derivatives	7.5	3.0	(4.4)	(0.7)	5.1	1.2	(4.7)	(0.9)

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Commodity Contracts

From time to time, we enter into commodity contracts to manage the exposure on forecasted purchases of commodity raw materials. At March 28, 2015 and December 31, 2014, the outstanding notional amount of commodity contracts was 4.3 and 4.2 pounds of copper, respectively. We designate and account for these contracts as cash flow hedges and, to the extent these commodity contracts are effective in offsetting the variability of the forecasted purchases, the change in fair value is included in AOCI. We reclassify AOCI associated with our commodity contracts to cost of products sold when the forecasted transaction impacts earnings. As of March 28, 2015 and December 31, 2014, the fair value of these contracts was \$0.7 (current liability) and \$1.4 (current liability), respectively. The unrealized loss, net of taxes, recorded in AOCI was \$0.9 and \$1.0 as of March 28, 2015 and December 31, 2014, respectively. We anticipate reclassifying the unrealized loss as of March 28, 2015 to income over the next 12 months.

Other Fair Value Financial Assets and Liabilities

The carrying amounts of cash and equivalents and receivables reported in the condensed consolidated balance sheets approximate fair value because of the short maturity of those instruments.

The fair value of our debt instruments (excluding capital leases), based on borrowing rates available to us at March 28, 2015 for similar debt, was \$1,530.5, compared to our carrying value of \$1,473.5.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and equivalents, trade accounts receivable, and foreign currency forward and commodity contracts. These financial instruments, other than trade accounts receivable, are placed with high-quality financial institutions throughout the world. We periodically evaluate the credit standing of these financial institutions.

We maintain cash levels in bank accounts that, at times, may exceed federally-insured limits. We have not experienced significant, and believe we are not exposed to significant risk of, loss in these accounts.

We have credit loss exposure in the event of nonperformance by counterparties to the above financial instruments, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not obtain collateral or other security to support financial instruments subject to credit risk, but we do monitor the credit standing of counterparties.

Concentrations of credit risk arising from trade accounts receivable are due to selling to customers in a particular industry. Credit risks are mitigated by performing ongoing credit evaluations of our customers’ financial conditions and obtaining collateral, advance payments, or other security when appropriate. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

Other Matters

Contractual Obligations — There have been no material changes in the amounts of our contractual obligations from those disclosed in our 2014 Annual Report on Form 10-K. Our total net liabilities for unrecognized tax benefits including interest were \$43.5 as of March 28, 2015. Of that amount, we believe that within the next 12 months it is reasonably possible that we could pay approximately \$10.0 to \$15.0 relating to uncertain tax positions, which includes an estimate for interest and penalties.

Contingencies and Other Matters — Numerous claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers’ compensation claims), have been filed or are pending against us and certain of our subsidiaries. We accrue for these contingencies when we believe a liability is probable and can be reasonably estimated. As events change and resolutions occur, these accruals may be adjusted and could differ materially from amounts originally estimated. See Note 13 to the condensed consolidated financial statements for a further discussion of contingencies and other matters.

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Our Certificate of Incorporation provides that we shall indemnify our officers and directors to the fullest extent permitted by the Delaware General Corporation Law for any personal liability in connection with their employment or service with us. While we maintain insurance for this type of liability, the liability could exceed the amount of the insurance coverage.

In addition, you should read “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Other Matters” and “Risk Factors” in our 2014 Annual Report on Form 10-K, as well as similar sections in any future filings for an understanding of the risks, uncertainties, and trends facing our businesses.

Critical Accounting Policies and Use of Estimates

General — The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The accounting policies that we believe are most critical to the portrayal of our financial condition and results of operations, and that require our most difficult, subjective or complex judgments in estimating the effect of inherent uncertainties are discussed in our 2014 Annual Report on Form 10-K. We have affected no material change in either our critical accounting policies or use of estimates since the filing of our 2014 Annual Report on Form 10-K.

FORWARD-LOOKING INFORMATION

Some of the statements in this document and any documents incorporated by reference, including any statements as to operational and financial projections, constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our businesses’ or our industries’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. Such statements may address our plans, our strategies, our prospects, changes and trends in our business and the markets in which we operate under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) or in other sections of this document. In some cases, you can identify forward-looking statements by terminology such as “may,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “project,” “potential” or “continue” or the negative of those terms or other comparable terminology. Particular risks facing us include economic, business and other risks stemming from our planned spin-off transaction, internal operations, legal and regulatory risks, costs of raw materials, pricing pressures, pension funding requirements, integration of acquisitions and changes in the economy. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors, and forward-looking statements should not be relied upon as a prediction of actual results. In addition, management’s estimates of future operating results are based on our current complement of businesses, which is subject to change as management selects strategic markets.

All the forward-looking statements are qualified in their entirety by reference to the factors discussed under the heading “Risk Factors” in our 2014 Annual Report on Form 10-K, in any subsequent filing with the SEC, as well as in any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements. We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment and frequently enter into new businesses and product lines. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. We undertake no obligation to update or publicly revise any forward-looking statements to reflect events or circumstances that arise after the date of this document.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management does not believe our exposure to market risk has significantly changed since December 31, 2014 and does not believe that such risks will result in significant adverse impacts to our financial condition, results of operations or cash flows.

ITEM 4. Controls and Procedures

SPX management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of disclosure controls and procedures, pursuant to Exchange Act Rule 13a-15(b), as of March 28, 2015. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 28, 2015.

In connection with the evaluation by SPX management, including the Chief Executive Officer and the Chief Financial Officer, of our internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d), no changes during the quarter ended March 28, 2015 were identified that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. Legal Proceedings

The information required by this Item is incorporated by reference from the footnotes to the condensed consolidated financial statements, specifically Note 13 under the heading “Litigation Matters,” included under Part I of this Form 10-Q.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our 2014 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

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ITEM 6. Exhibits

- 10.1* Form of Change of Control Agreement between Stephen A. Tsois and SPX Corporation
- 10.2* Form of Time-Based Restricted Stock Agreement Award for Non-Employee Directors under the SPX Corporation 2002 Stock Compensation Plan
- 11.1 Statement regarding computation of earnings per share. See condensed consolidated statements of operations on page 2 of this Form 10-Q.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.1 SPX Corporation financial information from its Form 10-Q for the quarterly period ended March 28, 2015, formatted in XBRL, including: (i) Condensed Consolidated Statements of Operations for the three months ended March 28, 2015 and March 29, 2014; (ii) Condensed Consolidated Balance Sheets at March 28, 2015 and December 31, 2014; (iii) Condensed Consolidated Statements of Cash Flows for the three months ended March 28, 2015 and March 29, 2014; and (iv) Notes to Condensed Consolidated Financial Statements.

* Denotes management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPX CORPORATION
(Registrant)

Date: April 29, 2015

By /s/ Christopher J. Kearney
President and Chief Executive Officer

Date: April 29, 2015

By /s/ Jeremy W. Smeltser
Vice President and Chief Financial Officer

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* Denotes management contract or compensatory plan or arrangement.

Form of Change of Control Agreement between Stephen A. Tisoris and SPX Corporation

[Date]

[Name]

13320 Ballantyne Corporate Place
Charlotte, NC 28277

Dear :

SPX Corporation (the "Company") recognizes that your contribution to its growth and success have been and will continue to be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including you, to their assigned duties without distraction in the face of potentially disruptive circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement (the "Agreement") to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that you separate from service due to a Change of Control as specifically provided in the remainder of this Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to be terminated when you have a "Separation from Service" within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code"), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. **Term of Agreement.** This Agreement will become effective on **[date]** (the "Effective Date"), and shall continue in effect through the second (2nd) anniversary of the Effective Date (the "Term"); provided, however, that this Agreement shall remain in effect and the Term shall be extended automatically from year to year thereafter for one (1) additional year unless, not later than six (6) months prior to the second (2nd) anniversary of the Effective Date, or any subsequent anniversary of the Effective Date, the Company gives written notice to you that it has elected not to extend this Agreement. Notwithstanding anything in this Section 1 to the contrary, if a Change of Control occurs during the Term of this Agreement, the Term of this Agreement shall be extended automatically to the second (2nd) anniversary of the Change of Control.
2. **Change of Control of the Company.** No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
 - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan that

acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty-five percent (25%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty-five percent (25%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty-five percent (25%) or more of the common shares of the Company then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty-five percent (25%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this Section 2(a), the following terms shall have the meanings set forth below:

- (i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.
- (ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
- (iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:
 - (A) that such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);
 - (B) that such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however,

that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(C) that are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 2(a)(iii)(B)(2) above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding that such Person would be deemed to own beneficially hereunder.

- (b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such two (2)-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in Section 2(a), above, or Section 2(c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or
- (c) The consummation of: (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this Section 2(c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least seventy-five percent (75%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Notwithstanding any provision in this Agreement to the contrary, a "Change of Control" shall not include any transaction described in Section 2(a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal services).

For the avoidance of doubt, the Spinoff (as defined hereafter), if it occurs, will not constitute a Change of Control under this Agreement. For purposes of this Agreement, the "Spinoff" means the Company's proposed tax-free spin-off of its "Flow" business into a new standalone, publicly-traded company ("Flowco"), as announced on October 29, 2014.

3. **Definitions.** The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) **Disability.** For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, you are by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.
- (b) **Retirement.** "Retirement" shall mean your voluntary separation from service (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) **Cause.** "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days

after receiving such demand, (ii) you willfully engage in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of (or pleaded *nolo contendere* to) a felony that impairs your ability substantially to perform your duties with the Company. In addition, your employment shall be deemed to have terminated for Cause if, within 12 months after your employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company or any successor or affiliate. Any act, or failure to act, on your part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate

shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

- (d) **Good Reason.** You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, “Good Reason” shall mean, without your express written consent, the occurrence within two (2) years following a Change of Control of the Company of any one (1) or more of the following:
- (i) A material reduction or alteration in your duties and responsibilities, or the status of your position from those in effect on the day prior to the Change of Control;
 - (ii) A material reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
 - (iii) The Company’s requiring you to be based at a location in excess of fifty (50) miles from the location where you are currently based;
 - (iv) The failure by the Company to continue in effect the Company’s employee benefit plans, policies, practices or arrangements in which you participate prior to the Change of Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
 - (v) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and
 - (vi) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination which substantially satisfies the requirements of Section 3(f), below, and for purposes of this Agreement, no such purported termination shall be effective.

Your right to separate from service pursuant to this Section 3(d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder, except that you must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) calendar days of the initial existence of the condition, and the Company will have a period of at least thirty (30) calendar days following the notice during which it may remedy the condition.

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- (e) **Notice of Termination.** Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a “Notice of Termination” shall mean a written notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.
- (f) **Date of Termination.** “Date of Termination” shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.
- (g) **Earned Bonus Amount.** For any year prior to the year during which a Change of Control occurs, your “Earned Bonus Amount” means your actual bonus for that year. For the year during which a Change of Control occurs, your “Earned Bonus Amount” means your total potential bonus for the year as determined under the 2005 Executive Bonus Plan or applicable successor bonus plan (the “Bonus Plan”), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year. For any year following the year during which a Change of Control occurs, your “Earned Bonus Amount” means the greater of (i) your actual bonus for the year prior to the year during which the Change of Control occurs and (ii) your total potential bonus for the year as determined under the Bonus Plan, according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. **Compensation Upon Separation from Service Following a Change of Control.**

- (a) **Accrued Benefits.** In the event that you separate from service for any reason during the Term of this Agreement following a Change of Control of the Company, you shall receive your Accrued Benefits through the Date of Termination to the extent unpaid. For purposes of this Agreement, your “Accrued Benefits” shall include the following:
- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
 - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs (the “Year of Termination”), prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;

(iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;

- (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination (as evidenced and determined in accordance with applicable Company policy); and
- (v) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination.
- (vi) Subject to Sections 4(e) and 4(f), the payments provided for in Section 4(a)(i), (ii), (iii), and (iv) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your Date of Termination. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events no later than the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.

(b) **Severance Benefits.** In the event that you separate from service during the Term of this Agreement following a Change of Control, unless your separation from service is (i) because of your death, Disability, or Retirement; (ii) a termination by the Company for Cause; or (iii) a termination by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your "Severance Benefits" shall include the following:

- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by two (2);
- (ii) An amount equal to two (2) times the greatest of (A) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the Year of Termination or (B) your target bonus under the Bonus Plan for the Year of Termination or (C) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;
- (iii) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you the same group health care coverage you had prior to your Date of Termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages, provided you timely apply and you and your dependents remain eligible for the coverage, and provided further that such continued coverage does not result in adverse tax or monetary penalties to the Company (or other applicable adverse effects to the Company based on coverage discrimination rules then in effect). Nothing herein shall be construed to extend the period of time over which COBRA continuation coverage shall be provided to you or your dependents beyond that mandated by law (that is, the coverage under this Section 4(b)(iii) will be concurrent with, and not consecutive to, the coverage period mandated by law). Health care benefits otherwise receivable by you pursuant to this Section 4(b)(iii) shall be discontinued to the extent comparable benefits are actually received by you from a subsequent employer (including an employer of your spouse) during the two (2) -year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company. To the extent the provision of health care benefits receivable by you pursuant to this Section 4(b)(iii) extends beyond the COBRA continuation period, such benefits will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);

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- (iv) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the two (2)-year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);
 - (v) Each stock option that you have been granted by the Company and that is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
 - (vi) Any contractual restrictions placed on shares of restricted stock or other equity-based compensation awards that you have been awarded pursuant to the Company's 2002 Stock Compensation Plan, as amended, and any similar or successor equity compensation plan adopted or maintained by the Company, shall lapse as of your Date of Termination;
 - (vii) In the event that a Change of Control occurs and payments are made under this Section 4(b), and a final determination is made by legislation, regulation, ruling, or court decision directed to you or the Company that the aggregate amount of any payments made to you under this Agreement and any other agreement, plan, program, or policy of the Company in connection with, on account of, or as a result of, such Change of Control (the "Total Payments") will be subject to an excise tax under the provisions of Code Section 4999, or any successor section thereof ("Excise Tax"), the Total Payments shall be reduced (beginning with those amounts that are exempt from Code Section 409A and then from amounts that are subject to Code Section 409A, beginning with the amounts scheduled to be paid furthest from the first date of the Total Payments) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent that the after-tax value of amounts received by you after application of the above reduction would exceed the after-tax value of the Total Payments received without

application of such reduction. For this purpose, the after-tax value of an amount shall be determined taking into account all federal, state, and local income, employment, and excise taxes applicable to such amount. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change of Control).

- (A) In the event that upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments, a change is formally determined to be required in the amount of taxes paid by, or Total Payments made to, you, appropriate adjustments will be made under this Agreement such that the net amount that is payable to you after taking into account the provisions of Code Section 4999 will reflect the intent of the parties as expressed in this Section 4(b) (vii). You shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require payment of an Excise Tax or an additional Excise Tax on the Total Payments (a "Claim"). Such notification shall be given as soon as practicable but no later than ten (10) business days after you are informed in writing of such Claim and shall apprise the Company of the nature of such Claim and the date on which such Claim is requested to be paid. You shall not pay such Claim prior to the expiration of the thirty (30)-calendar day period following the date on which you give such notice to the

Company (or such shorter period ending on the date that any payment of taxes with respect to such Claim is due). If the Company notifies you in writing prior to the expiration of such period that it desires to contest such Claim, you shall: (1) give the Company any information reasonably requested by the Company relating to such Claim, (2) take such action in connection with contesting such Claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such Claim by an attorney reasonably selected by the Company, (3) cooperate with the Company in good faith in order to contest effectively such Claim, and (4) permit the Company to participate in any proceedings relating to such Claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless, on an after-tax basis, for any Excise Tax, additional Excise Tax, or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph, the Company, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such Claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the Claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one (1) or more appellate courts, as the Company shall determine, provided, however, that if the Company directs you to pay such Claim and sue for a refund, the Company shall advance the amount of such payment to you on an interest-free basis or, if such an advance is not permissible under applicable law, pay the amount of such payment to you as additional compensation, and shall indemnify and hold you harmless, on an after-tax basis, from any Excise Tax, additional Excise Tax, or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or additional compensation; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of you with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company shall reimburse any fees and expenses provided for under this Section 4(b)(vii) on or before the last day of your taxable year following the taxable year in which the fee or expense was incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation § 1.409A-3(i)(1)(v) (or any similar or successor provisions).

- (B) If, after your receipt of an amount advanced or paid by the Company pursuant to the immediately preceding paragraph, you become entitled to receive any refund with respect to such Claim, you shall (subject to the Company's compliance with the requirements of the immediately preceding paragraph) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after your receipt of an amount advanced by the Company pursuant to the immediately preceding paragraph, a determination is made that you shall not be entitled to any refund with respect to such Claim and the Company does not notify you in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid.
- (viii) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or

having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(viii) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation § 1.409A-3(i)(1)(iv) (or any similar or successor provisions).

- (ix) The Company will pay the expense of outplacement services from a provider reasonably selected by you and acceptable to the Company, up to a maximum of \$35,000. Such outplacement services must be incurred by you no later than the first anniversary of your separation from service.
- (x) To the extent that you prevail in any contest or dispute with respect to any interpretation, enforcement or defense of your rights under this Agreement by litigation or otherwise, the Company shall pay to you or reimburse you for all legal fees and expenses incurred by you as a result of such contest or dispute (including all such fees and expenses, if any, incurred in contesting or disputing any separation from service or in seeking to obtain or enforce any right or benefit provided by this Agreement or in

connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided hereunder, as described in Section 4(b)(vii) above), provided that such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(x) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); and

- (xi) Subject to Sections 4(e) and 4(f) and except as otherwise provided in this Agreement, the payments provided in Sections 4(b)(i) and (ii) shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your separation from service. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events no later the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.
 - (c) Notwithstanding any provision in this Agreement to the contrary, if a Change of Control occurs and you separate from service other than for Cause within six (6) months prior to the date on which the Change of Control occurs and you assert in writing to the Board within thirty (30) calendar days following the Change of Control that such separation from service (i) was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement your separation from service shall be deemed to have occurred following the Change of Control and any payments owed to you hereunder as a result of such Change of Control shall be paid to you within sixty (60) calendar days following the Change of Control, unless the Board determines in good faith that your separation from service (i) was not at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) did not otherwise arise in connection with or anticipation of the Change of Control, and (iii) would have occurred if the Change of Control were not anticipated.
 - (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii), and as provided in Section 13.
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- (e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a “specified employee” (as defined under Code Section 409A), then, notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply.
 - (i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your separation from service or, if earlier, the date of your death (the “Six-Month Delay Rule”). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the “Six-Month Delay”) shall instead be aggregated and paid (without interest) to you no later than ten (10) calendar days following the date that is six (6) months after your separation from service. Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your separation from service shall be paid to you in accordance with the applicable terms of Section 4.
 - (ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:
 - (A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),
 - (B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and
 - (C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section 4(e)(ii) will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company benefit plan.

- (f) The Company shall deliver to you a form general release and waiver of claims in favor of the Company that is acceptable to the Company (the “Release”) as soon as administratively feasible following your separation from service, but no later than thirty (30) calendar days following such date. Notwithstanding any provision in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) calendar day following your separation from service. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of your separation from service. Notwithstanding any language in this Agreement to the contrary, if the seventy-fourth (74th) calendar day following the date of your termination occurs in a different calendar year than the
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calendar year of your date of termination, then the payment of any Severance Benefits subject to Code Section 409A shall be made no earlier than January 1 of the calendar year following the year in which your date of termination occurred.

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, for the avoidance of doubt, (i) if the Spinoff occurs and your employment following the Spinoff is with Flowco, the Company shall assign this Agreement to Flowco, with Flowco expressly assuming and agreeing to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such assignment and assumption had taken place, but (ii) if the Spinoff occurs and your employment following the Spinoff is with the Company, the Company will continue to be bound by this Agreement and Flowco will not be required to assume and agree to perform this Agreement. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.
- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require you to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with you to satisfy such withholding obligations.

8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Delaware. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively in the courts in the State of North Carolina, Mecklenburg County,

including the Federal Courts located therein or responsible therefor (should Federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.

10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without Cause.

11. No Vested Interest. Neither you nor your estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.

12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.

13. Coordination with Other Arrangements. Payments and benefits under this Agreement shall be in lieu of any severance payments or benefits provided to you under any other severance pay plan, policy or arrangement of or with the Company.

14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

16. Dispute Resolution. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association ("AAA") then in effect, in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. You acknowledge that

by accepting this arbitration provision you are waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants applicable to you, but may pursue its remedies in a court of competent jurisdiction.

17. Code Section 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be

administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.

18. Payments to Estate. The executor of your estate shall be entitled to receive all amounts owing to you at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on your behalf. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of your death or a judicial determination of your incompetence, reference in this Agreement to "you" will be deemed to refer, where appropriate, to your estate or other legal representative.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

EXECUTIVE ACCEPTANCE

SPX CORPORATION

[Name]

By: _____

Christopher J. Kearney

Its: Chairman, President and Chief Executive Officer

Date: _____

Form of Time-Based Restricted Stock Agreement Award for Non-Employee Directors under the SPX Corporation 2002 Stock Compensation Plan

SPX Corporation

2002 STOCK COMPENSATION PLAN

TIME-BASED RESTRICTED STOCK AGREEMENT
[] AWARD FOR NON-EMPLOYEE DIRECTORS

THIS AGREEMENT (the "Agreement") is made between SPX CORPORATION, a Delaware corporation (the "Company"), and the Recipient pursuant to the SPX Corporation 2002 Stock Compensation Plan, as amended from time to time, and related plan documents (the "Plan") in combination with an SPX Restricted Stock Summary (the "Award Summary") to be displayed at the Fidelity website. The Award Summary, which identifies the person to whom the shares of Restricted Stock are granted (the "Recipient") and specifies the date (the "Award Date") and other details of this grant of Restricted Stock, and the electronic acceptance of this Agreement (which also is to be displayed at the Fidelity website), are incorporated herein by reference. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Plan. The parties hereto agree as follows:

1. **Grant of Restricted Stock.** The Company hereby grants to the Recipient the number of shares of Restricted Stock specified in the Award Summary (the "Award"), subject to the terms and conditions of the Plan and this Agreement. Each share of Restricted Stock will entitle the Recipient to a share of Common Stock when the share of Restricted Stock ceases to be subject to a Period of Restriction. The Recipient must accept the Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award automatically will be rescinded upon the action of the Company, in its discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Recipient indicating availability for acceptance. No payment of cash is required for the Award granted pursuant to this Agreement.

2. **Restrictions.** The Restricted Stock evidenced by the Award may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, whether voluntarily or involuntarily or by operation of law, until the Restricted Stock ceases to be subject to the Period of Restriction specified in Section 4 below or as otherwise provided in the Plan or this Agreement. Except for such restrictions, and the provisions relating to dividends paid during the Period of Restriction as described in Section 9, the Recipient will be treated as the owner of the shares of Restricted Stock and shall have all of the rights of a shareholder, including, but not limited to, the right to vote such shares.

3. **Restricted Stock Certificates.** The Award may be evidenced in such manner as the Board shall determine. The stock certificate(s) representing the Restricted Stock may be issued or held in book entry form promptly following the acceptance of this Agreement. If a stock certificate is issued, it shall be delivered to the Secretary of the Company or such other custodian as may be designated by the Company, to be held until the end of the Period of Restriction or until the Restricted Stock is forfeited. The certificates representing shares of Restricted Stock granted pursuant to this Agreement, if issued, shall bear a legend in substantially the form set forth below:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer set forth in the SPX Corporation 2002 Stock Compensation Plan, as amended and restated effective May 3, 2012, and as further amended from time to time, rules and administration adopted pursuant to such Plan, and a Restricted Stock award agreement with an Award Date as specified in the Recipient's Award

Summary. A copy of the Plan, such rules and such Restricted Stock award agreement may be obtained from the Secretary of SPX Corporation.

4. **Period of Restriction.** Subject to the provisions of the Plan and this Agreement, unless vested or forfeited earlier as described in Section 5, 6 or 7 of this Agreement, the Restricted Stock awarded hereunder shall cease being subject to a Period of Restriction and become fully vested and freely transferable at the close of business on the day before the date of the Company's next regular annual meeting of shareholders held after the grant of this Award, if the Non-Employee Director remains a member of the Board through that time.

5. **Treatment Upon Disability or Death.** If, while any shares of Restricted Stock are subject to a Period of Restriction, the Recipient experiences a termination of Service by reason of Disability (as defined below) or death, such shares of Restricted Stock shall cease to be subject to any Period of Restriction as of the date of such termination of Service. "Disability" means, in the written opinion of a qualified physician selected by the Board, the Recipient is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, unable to perform the functions of a member of the Board.

6. **Forfeiture upon Termination due to Reason other than Disability or Death.** If, while any shares of Restricted Stock are subject to a Period of Restriction, the Recipient experiences a termination of Service for any reason other than the Recipient's Disability or death, then the Recipient shall forfeit all shares of Restricted Stock on the date of such termination of Service.

7. **Vesting upon Change of Control.** In the event of a "Change of Control" of the Company as defined in this Section, and subject to Section 8(d), then any shares of outstanding Restricted Stock as of the date of such Change of Control shall cease to be subject to any Period of Restriction. A "Change of Control" shall be deemed to have occurred if:

(a) Any "Person" (as defined below), excluding for this purpose (i) the Company or any Subsidiary, (ii) any employee benefit plan of the Company or any Subsidiary, and (iii) any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of Common Stock, is or becomes the "Beneficial Owner" (as defined below) of twenty-five percent (25%) or more of the Common Stock then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of Common Stock by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty-five percent (25%) or more of the Common Stock then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in Common Stock shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a Person who has become the Beneficial Owner of Common Stock representing twenty-five percent (25%) or more of the Common Stock then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty-five percent (25%) or more of the Common Stock

then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this paragraph (a), the following terms shall have the meanings set forth below:

- (i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.
- (ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended and the regulations and guidance promulgated thereunder (the "Exchange Act").
- (iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

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(A) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);

(B) which such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(C) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this "Beneficial Ownership" definition to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(b) During any period of two (2) consecutive years (not including any period prior to the acceptance of this Agreement), individuals who at the beginning of such two-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) The consummation of: (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this paragraph (c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least seventy-five percent (75%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

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Notwithstanding any provision of this Agreement to the contrary, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, the Recipient and/or any party acting in concert with the Recipient substantially increases his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal Services).

8. Settlement Following Change of Control. Notwithstanding any provision of this Agreement to the contrary, in connection with or after the occurrence of a Change of Control as defined in Section 7 of this Agreement, the Company may, in its sole discretion, fulfill its obligation with respect to all or any portion of the shares of Restricted Stock that cease to be subject to any Period of Restriction in conjunction with the Change of Control by:

(a) delivery of (i) the number of shares of Common Stock that corresponds with the number of shares of Restricted Stock that have ceased to be subject to any Period of Restriction or (ii) such other ownership interest as such shares of Common Stock that correspond with the vested shares of Restricted Stock may be converted into by virtue of the Change of Control transaction;

(b) payment of cash in an amount equal to the Fair Market Value of the Common Stock that corresponds with the number of vested shares of Restricted Stock that have ceased to be subject to any Period of Restriction; or

(c) delivery of any combination of shares of Common Stock (or other converted ownership interest) and cash having an aggregate Fair Market Value equal to the Fair Market Value of the Common Stock that corresponds with the number of shares of Restricted Stock that have ceased to be subject to any Period of Restriction.

(d) Notwithstanding any other provision of this Section 8, no cancellation, termination, acceleration of vesting, removal of a Period of Restriction, or settlement or other payment shall occur with respect to the Restricted Stock if the Board (as constituted immediately prior to the Change of Control) reasonably determines, in good faith, prior to the Change of Control that the shares of Restricted Stock shall be honored or assumed or new rights substituted therefor (such honored, assumed or substituted Award being hereinafter referred to as an "Alternative Award"), provided that any Alternative Award must (as determined by the Board in its sole discretion):

(i) be based on shares of Common Stock that are traded on an established U.S. securities market or another public market determined by the Board prior to the Change of Control; and

(ii) have substantially equivalent economic value to such Award (determined at the time of the Change of Control).

9. Dividends Paid During Period of Restriction. If cash dividends are paid with respect to any shares of Restricted Stock, such dividends shall be deposited in the Recipient's name in an escrow or similar account maintained by the Company for this purpose. Such dividends shall, except as noted below, be subject to the same Period of Restriction as the shares of Restricted Stock to which they relate. The dividends shall be paid to the Recipient in cash (subject to all applicable tax withholding), without adjustment for interest, as soon as administratively practicable after the date the related shares of Restricted Stock cease to be subject to a Period of Restriction (or, if earlier, the date the related shares of Restricted Stock cease to be subject to a substantial risk of forfeiture). If the related shares of Restricted Stock are forfeited, then any dividends related to such shares shall also be forfeited on the same date. If any dividends on Restricted Stock are paid in shares of Common Stock, and subject to other applicable provisions of the Plan and this Agreement, the dividend shares shall be subject to the same restrictions as the shares of Restricted Stock with respect to which they were paid, and shall vest or be forfeited in the same manner as the underlying Restricted Stock.

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10. Adjustment in Capitalization. In the event of any change in the Common Stock through stock dividends or stock splits, a corporate spin-off, reverse spin-off, split-off or split-up, or recapitalization, merger, consolidation, exchange of shares, or a similar event, the number of shares of Restricted Stock subject to this Agreement shall be equitably adjusted by the Board to preserve the intrinsic value of any Awards granted under the Plan. Such mandatory adjustment may include a change in any or all of the number and kind of shares of Common Stock or other equity interests underlying the Restricted Stock, and/or if reasonably determined in good faith by the Board prior to such adjustment event, that the Restricted Stock (in whole or in part) shall be replaced by Alternative Awards meeting the requirements set forth in Section 8(d)(i)-(ii) above. In addition, the Board may make provisions for a cash payment to the Recipient in such event. The number of shares of Common Stock or other equity interests underlying the Restricted Stock shall be rounded to the nearest whole number. Any such adjustment shall be consistent with Code Section 162(m) to the extent the Award is subject to such section of the Code and shall not result in adverse tax consequences to the Recipient under Code Section 409A.

11. Delivery of Stock Certificates or Cash. Subject to the requirements of Section 12 and 13 below, as promptly as practicable after the shares of Restricted Stock cease to be subject to a Period of Restriction in accordance with this Agreement, the Company may, if applicable, cause to be issued and delivered to the Recipient, the Recipient's legal representative, or a brokerage account for the benefit of the Recipient, as the case may be, certificates for the shares of Common Stock that correspond to the vested shares of Restricted Stock, or, pursuant to Section 8, a check will be delivered to the last known address of the Recipient.

12. Tax Withholding. Regardless of any action the Company takes with respect to any or all income tax, social security, payroll tax, payment on account or other tax-related withholding ("Tax") that the Recipient is required to bear pursuant to all applicable laws, the Recipient hereby acknowledges and agrees that the ultimate liability for all Tax is and remains the responsibility of the Recipient.

The Company advises the Recipient to consult a lawyer or accountant with respect to the tax consequences for the Recipient under the Plan.

The Company and/or any Subsidiary: (a) make no representations or undertakings regarding the tax treatment in connection with the Plan; and (b) do not commit to structure the Plan to reduce or eliminate the Recipient's liability for Tax.

13. Securities Laws. This Award is a private offer that may be accepted only by a Recipient who is a director of the Company or a Subsidiary and who satisfies the eligibility requirements outlined in the Plan and the Board's administrative procedures. If a registration statement under the Securities Act of 1933, as amended, is not in effect with respect to the shares of Common Stock to be issued pursuant to this Agreement, the Recipient hereby represents that the Recipient is acquiring the shares of Common Stock for investment and with no present intention of selling or transferring them and that the Recipient will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange on which the shares of Common Stock may then be listed.

14. No Legal Rights. Neither the Plan nor this Agreement confers on the Recipient any legal or equitable rights (other than those related to the Restricted Stock Award) against the Company or any Subsidiary or directly or indirectly gives rise to any cause of action in law or in equity against the Company or any Subsidiary.

15. Plan Terms and Board Authority. This Agreement and the rights of the Recipient hereunder are subject to all of the terms and conditions of the Plan, as it may be amended from time to time, as well as to such rules and regulations as the Board may adopt for administration of the Plan. It is expressly understood that the Board is authorized to administer, construe and make all determinations necessary or appropriate for the administration of the Plan and this Agreement, all of which shall be binding upon the Recipient. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. The Recipient hereby acknowledges receipt of a copy of the Plan and this Agreement.

16. Compliance with Code Section 409A. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Award is intended to be exempt from or, in the alternative, comply with Code Section 409A and the interpretive guidance thereunder, including the exceptions for stock rights

deferrals. The Plan and the Agreement will be construed and interpreted in accordance with such intent. References in the Plan and this Agreement to “termination of Service” and similar terms shall mean a “separation from service” within the meaning of that term under Code Section 409A. Any payment or distribution that is to be made to a Recipient who is a “specified employee” of the Company within the meaning of that term under Code Section 409A and as determined by the Board, on account of a “separation from service” under Code Section 409A, may not be made before the date which is six months after the date of such “separation from service,” unless the payment or distribution is exempt from the application of Code Section 409A by reason of the short-term deferral exemption or otherwise.

17. No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered under this Agreement. The Board shall determine whether cash or other property shall be issued or paid in lieu of such fractional shares of Common Stock or whether such fractional shares of Common Stock or any rights thereto shall be forfeited or otherwise eliminated.

18. Amendment. The Board may at any time amend, modify or terminate the Plan and this Agreement; provided, however, that no such action of the Board shall adversely affect the Recipient’s rights under this Agreement without the consent of the Recipient. The Board, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Agreement so that the Award qualifies for exemption from or complies with Code Section 409A; provided, however, that the Board and the Company make no representations that the Award shall be exempt from or comply with Code Section 409A and make no undertaking to preclude Code Section 409A from applying to the Award.

19. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or the Agreement under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Board’s determination, materially altering the intent of the Plan or the Agreement, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Agreement shall remain in full force and effect.

20. Governing Law and Jurisdiction. The Plan and this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), the Plan will be exclusively in the courts in the State of North Carolina, County of Mecklenburg, United States of America, including the Federal Courts located therein (should Federal jurisdiction exist). As consideration for and by accepting the Award, the Recipient agrees that the Governing Law and Jurisdiction provisions of this Section 20 shall supersede any Governing Law or similar provisions contained or referenced in any prior equity awards made by the Company to the Recipient, and, accordingly, such prior equity awards shall become subject to the terms and conditions of the Governing Law and Jurisdiction provisions of this Section 20.

21. Successors. All obligations of the Company under this Agreement will be binding on any successor to the Company, whether the existence of the successor results from a direct or indirect purchase of all or substantially all of the business or assets of the Company or both, or a merger, consolidation or otherwise.

22. Compensation Recovery. This Award shall be subject to any compensation recovery policy adopted by the Company, including any policy required to comply with applicable law or listing standards, as such policy may be amended from time to time in the sole discretion of the Company. As consideration for and by accepting the Award, the Recipient agrees that all prior equity awards made by the Company to the Recipient shall become subject to the terms and conditions of the provisions of this Section 22.

23. Further Assurances. The Recipient agrees to use his or her reasonable efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Recipient’s benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

Certification

I, Christopher J. Kearney, certify that:

1. I have reviewed this report on Form 10-Q of SPX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2015

/s/ CHRISTOPHER J. KEARNEY

President and Chief Executive Officer

Certification

I, Jeremy W. Smeltser, certify that:

1. I have reviewed this report on Form 10-Q of SPX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2015

/s/ JEREMY W. SMELTSER

Vice President and Chief Financial Officer

The following statement is being made to the U.S. Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

U.S. Securities and Exchange Commission
100 F. Street N.E.
Washington, DC 20549

Re: SPX Corporation

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q, for the period ended March 28, 2015, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of SPX Corporation.

Dated as of this 29th day of April, 2015.

/s/ CHRISTOPHER J. KEARNEY

/s/ JEREMY W. SMELTSER

Christopher J. Kearney
President and Chief Executive Officer

Jeremy W. Smeltser
Vice President and Chief Financial Officer
